

December, 1958



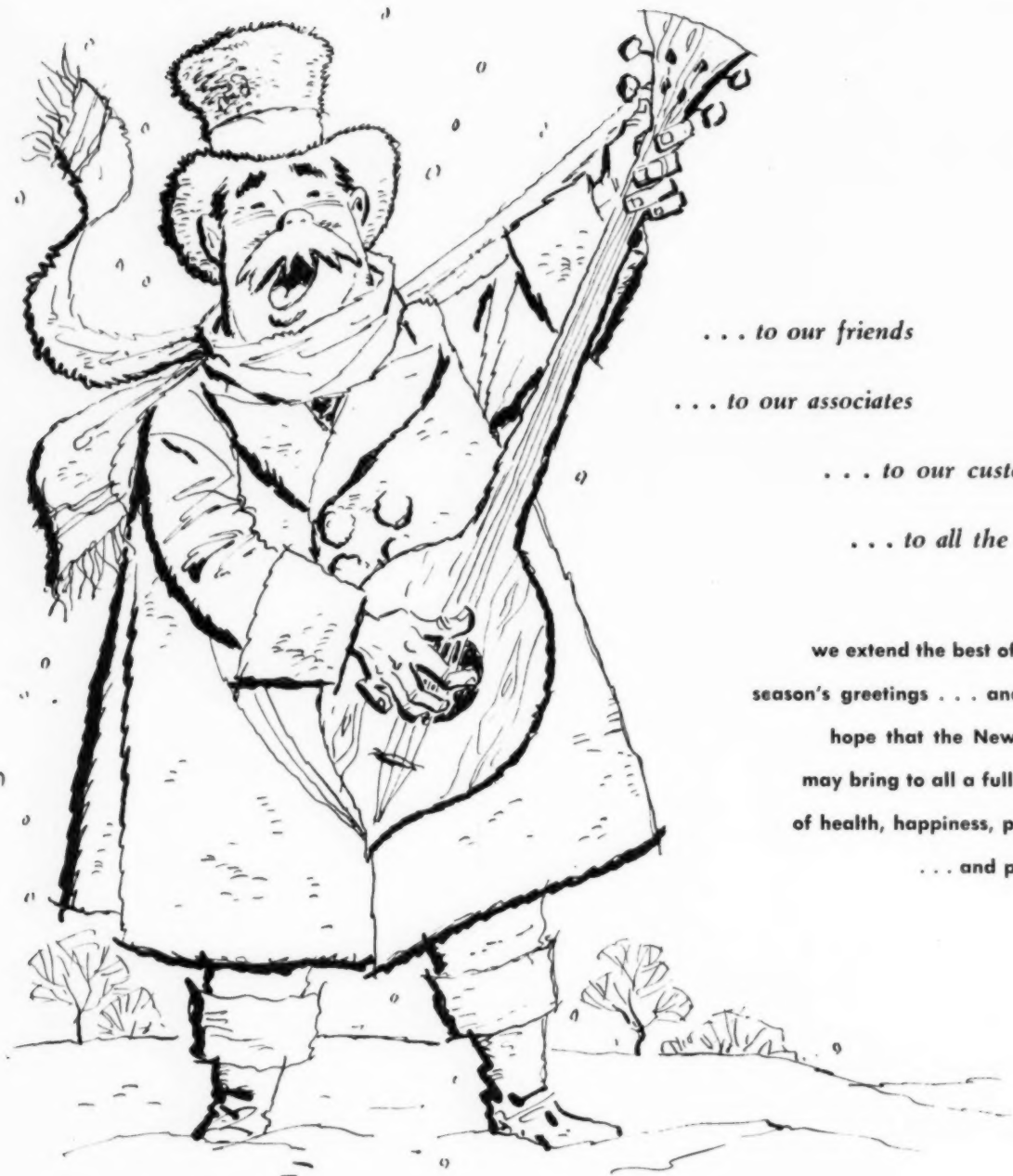
CANTON, OHIO

LOCATED on a site which President William McKinley had once remarked would be ideal for a war memorial, the impressive McKinley monument, Canton, Ohio, is a shrine which truly belongs to the entire nation. Contributions by over a million people provided for the erection of the

structure begun in 1905 and completed on June 19, 1907. Material from nine states was used to construct the circular mausoleum in which lie the remains of the nation's twenty-fifth President. The National Memorial Association recently transferred the 26 acre site to the State of Ohio.

The Credit World

Only Publication Serving the Entire Field of Retail Credit



... to our friends

... to our associates

... to our customers

... to all the world ...

*we extend the best of the
season's greetings ... and a heartfelt
hope that the New Year
may bring to all a full measure
of health, happiness, prosperity
... and peace.*

From the 3,300 Members of

ASSOCIATED CREDIT BUREAUS OF AMERICA INC.

7000 Chippewa Street

St. Louis 19, Missouri



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THERE IS NO SUBSTITUTE FOR A GOOD CREDIT RECORD!



LOCAL ASSOCIATION

TRUST
is a
two-way street!



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GOOD CREDIT IS IMPORTANT AND VALUABLE — PROTECT IT



LOCAL ASSOCIATION

DAD SAYS
It's Just Good Business



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YOUR FAMILY DEPENDS ON YOU TO KEEP YOUR CREDIT STRONG



LOCAL ASSOCIATION

PAY YOUR BILLS PROMPTLY
you'll never be here...



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GOOD CREDIT IS THE BASIS FOR GOOD LIVING



LOCAL ASSOCIATION

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and following National Retail Credit Week.

Size, 5 3/4" x 9". Mat in lower right corner of illustration above is 7 1/2" x 6 3/4". Price \$3.00 each.

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 5, MISSOURI

The CREDIT WORLD

REGISTERED IN THE UNITED STATES PATENT OFFICE

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

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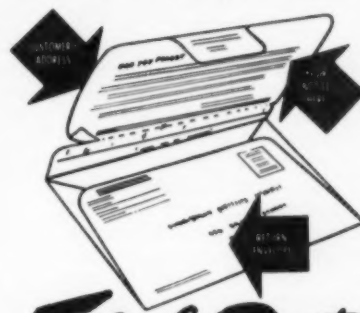
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CIRCULATION OF THIS ISSUE 49,000

Entered as second-class matter at the Post Office at Fulton, Missouri, under the Act of March 3, 1879. Published monthly at 1201-05 Bluff Street, Fulton, Missouri. Subscription \$3.00 a year, to members of the National Retail Credit Association only. Articles published in The CREDIT WORLD reflect the opinions of the authors and not necessarily the viewpoint of the National Retail Credit Association. Reproduction privileges of original material are hereby granted, provided usual credit is given. Please advise us immediately of any change in your address to avoid interruption in receiving The CREDIT WORLD.

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Canton, Ohio—An Industrial Center

ROBERT E. BALL

*Assistant Secretary-Treasurer, First Federal Savings & Loan Association
Canton, Ohio*

President, Credit Executive Club of Canton



BEZALEEL WELLS came to Canton in September 1805. That fact is of particular interest to Cantonians for Mr. Wells came to lay out the city. A surveyor from Baltimore, Maryland, he had platted the City of Steubenville on the Ohio River in 1796. He recorded his plat of Canton on November 15, 1805. Today, 153 years later, Canton is the county seat of Stark County, the only county in the State containing three important cities, Canton, Massillon and Alliance.

Rich in industry, Canton is also in a rich agricultural area. Its growth has been steady through the years and now has a population over 123,000. Unlike many cities, Canton's boundaries are limited, covering only 14 square miles. Much of the recent growth is not reflected in the city proper but the surrounding metropolitan area has seen rapid expansion since the recent war.

Canton's location is ideal. It is 58 miles South of Cleveland, 24 miles Southeast of Akron and 93 miles Northwest of Pittsburgh. It is in the highly industrialized section of the nation soon to be served by the St. Lawrence Seaway. Situated just below the area drained by Lake Erie, Canton seems favored weatherwise. Seldom are the freaks of nature so pronounced here as in areas not many miles away. Severe snow

storms, devastating wind storms, scorching heat waves—all are almost always somewhere nearby—but not in Canton.

For many years Canton has enjoyed its reputation as a friendly city. Leaders of industry and workers alike who visit in Canton are prone to pull up their former stakes and replant them permanently in this community. Though a civic spirit to preserve the historical and to promote the cultural has seemed at times to lag, there never has been a time when all were not for the one in need. Few cities in the nation could ever boast of a better record for approval of tax levies at the polls when the issue is for the public school system. The Canton Board of Education is proud of the voter's consistent response and the voters are equally proud of the magnificent public school system which is constantly being enlarged and improved. Outstanding in the System is the Timken Vocational High School, one of the most complete schools of its kind in the entire country. Built 20 years ago and completely equipped by the Timken Foundation, the school was a gift to the City. Its beautiful auditorium patterned somewhat on the renowned Radio City Music Hall, has been the cultural hub of Canton's entertainment for two decades. Here are heard regular-

ly the concerts of the Canton Symphony Orchestra, organized over 20 years ago as a civic project of Canton's very active Junior Chamber of Commerce. The orchestra has since developed into an outstanding group whose permanent conductor is Louis Lane of Cleveland Orchestra fame. Mr. Lane, claimed by musical circles in two Ohio cities, makes commuting between Canton and Cleveland a reality.

Canton's Players Guild whose small capacity theater on the Art Museum grounds entertains area dramatic lovers for 42 weeks each year, is acclaimed by critics as one of America's outstanding Community Theaters. Canton also has a Civic Opera group which presents several concerts each season. The cast includes a number of exceptionally talented members. Though never a member of this group, Canton presented to the world the voice of Blanche Thebom, a leading mezzo-soprano of the Metropolitan Opera since her debut in 1944.

At this moment Canton is being bisected by the first super highway in the City's history. Long in the planning stage, the vast project has already taken definite shape and has changed forever familiar Canton scenery. Passing through part of the once world renowned Dueber Hampten watch works, the modern road



Home of Hoover Electric Cleaners

will supply a sharp contrast with Canton's past and present. These ancient brick structures, once the home of a thriving factory on beautifully landscaped grounds, have been used for storage for many years. The clock-tower, long a landmark, is to remain as a symbol of Canton's old industrial life. However, Canton has an active, modern industrial life. "Made in Canton, Ohio, U. S. A." stamped on products turned out by over 200 firms give the city a world-wide reputation. The largest factory in Canton employing the largest number of people, is also the largest manufacturer of tapered roller bearings and one of the Nation's leading makers of rock bits and electric furnace alloy steel. That is the Timken Roller Bearing Company, headquartered in Canton but with other factories in this country, Canada, Europe and Australia. Republic Steel and other steel companies have factories here also. A leader for many years in building safes and vaults, Diebold, Inc. is the oldest Canton manufacturer. It is now also actively engaged in the manufacture of office record files.

Streets the world over are lit by lamps on standards made in Canton by the Union Metal Manufacturing Company, the largest company in its field. Subsidiary companies make parking meters and cement. Hercules Motors, long a respected name in Diesel and gasoline engines is one of the City's steady employers. The Wilson Rubber Co. has long enjoyed its reputation in rubber glove manufacture. The E. W. Bliss Co., the Nation's largest manufacturer of steel presses, was recently awarded an



Timken Vocational High School

order for a radio telescope and is producing a replica of a 50 year old car. The Hoover Co., in North Canton, is the world leader in electric sweepers, but is also a versatile supplier of smaller manufactured parts vital to the Government defense program. Brick and tile companies ship their products far and wide, and water softening compounds, dental equipment, rubber products, fiber boxes, paints, electrical apparatus, drop forgings and forged steel products are some of the other products manufactured in Canton. The slogan "A City of Diversified Industry" is truly significant.

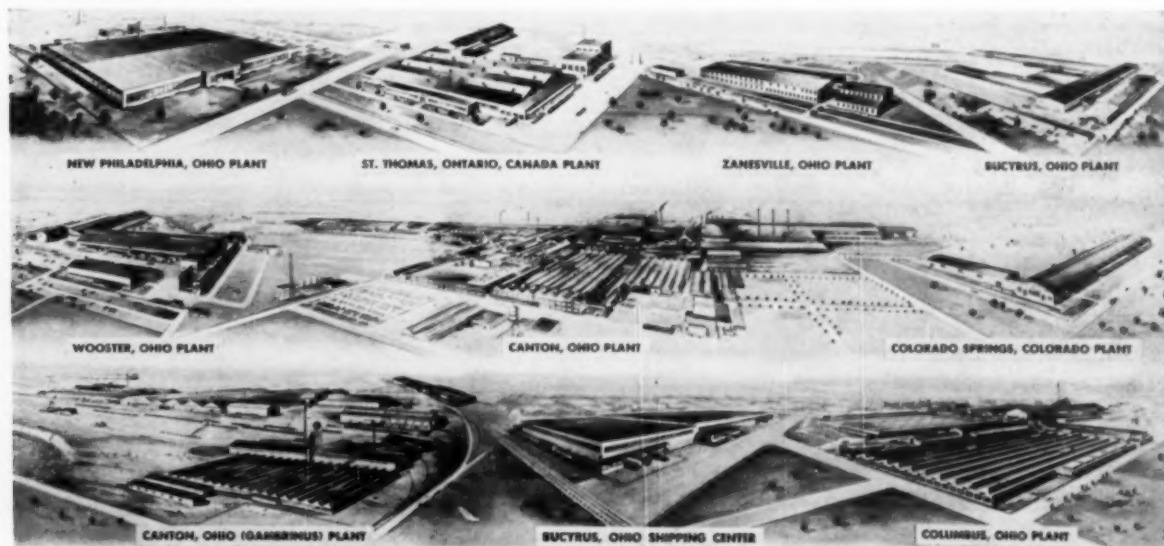
Loyal to sports, Cantonians and all Stark County residents are in the hub of one of the Nation's leading high school football areas. The rivalry between Canton McKinley and Massillon Washington High Schools attract nationwide attention each year and has been covered by some of the country's biggest magazines. The 1958 game was the 55th played. Basketball players and swimmers also win top honors in high school competition.

The former home and now the burial place of President William McKinley, Canton is the site of the impressive McKinley Memorial located on a hill in a small park overlooking the City. This shrine is a tourist attraction visited by thousands every year. Many also are attracted to Canton's 600 acres of park which runs the length of the City.

In 1953 Canton was one of the *Look Magazine* "All America City" award winners, receiving nationwide attention for its achievement. Stories of Canton's progress to this crowning glory can be traced in the files of the City's only newspaper, *The Canton Repository*, now 143 years old. We can learn that the new city auditorium, completed in 1951, seats about 6,000 and that Fawcett Stadium is the largest high school stadium in the nation, seating 21,000. The Memorial Field House near the Stadium has a 5,500 capacity.

There are three exceptionally well equipped hospitals in the city, all of which have new facilities. They can accommodate nearly 1,100 patients. Malone College, Canton's first college, opened its doors in 1957 to students who found the all new buildings on a brand new campus were an inspiration to further education. A new city hall of modern design and to cost over two million dollars will soon be under construction. It will replace a structure built before the turn of the century.

All of Canton invites you to visit the City when you come to Ohio. Perhaps you too will like the friendly folks you meet here and will return with all your possessions. Many others have. ★★★



Plants of The Timken Roller Bearing Company



Canton's Retail Credit Club

CARL J. DIRIENZI

Macomber, Inc., Canton, Ohio
Past President, Credit Executive Club of Canton

IN NO ONE department of business is "cooperation" recognized as of greater essential importance than in credit work. The credit person realizes that his measure of success is dependent to a large extent upon the success of other credit people operating in the same field of business. The standard of credit within a line of business or industry cannot be raised to any extent by a single individual. All, however, working together can impose the desired standard upon the consumer market.

Thus, in September 1947 was founded the Credit Executive Club of Canton, Ohio by O. E. Johnson, our present credit Bureau Manager. Mr. Johnson is a well-known figure in the credit bureau field that has devoted most of his life to the world of credit.

Membership in our Club is restricted to members of the Credit Bureau. The close association of these two organizations has brought about a clearer understanding of Bureau operations and services and in turn has aided the Credit Bureau to gear its operations to the constant changes and needs of its members.

The Club has enjoyed over eleven years of credit projects and associations of which we are all quite proud. With the growing interest of the average layman in credit we successfully launched a credit educa-

tion program beginning in February 1956. For two successive years this club sponsored the National Retail Credit Association courses using Phelps textbooks, *Retail Credit Fundamentals* and *Retail Credit Management*. Both of these one night a week, eighteen week courses, met with overwhelming success.

Last year our attention was directed to providing speakers from our membership to speak to high school seniors and community organizations on credit to broaden the educational plan. Local high schools have so accepted the job of lecturing conducted last year that they are arranging definite schedules to have speakers from our group to address seniors, economics, and business administration classes this winter and coming spring.

The apparent interest of these students and other organization members in the type and numerous questions which they present during the question and answer periods leaves no doubts that everyone is interested in the workings of credit.

In addition to our educational program, the varied but related programs of the meetings have held the interest of the club members. Regular monthly dinner meetings and weekly luncheons are held throughout the year. Not only are these meetings educative, but they widen

the credit person's acquaintances and enables him to form contacts and friendships which are so valuable to everyone in this field of endeavor.

During the period of time that debt-poolers, etc., were flourishing, our Club encouraged legislation to outlaw or at least to control their operations. We can now boast that we were instrumental in the passage of legislation banning debt-poolers from operating in the State of Ohio without local controls. So passed another danger in our ever changing world of credit.

The high light of every year is the "picnic" when all let their hair down and hoop it up with a feast and plenty of contests to suit each individual digestion and/or physique. Considering the size of our City (approximately 125,000) we boast a Credit Bureau membership of about 300 with over 25 per cent of those active in our Club.

We believe ours is certain proof that it really does not matter how large a community you may live or work in; credit people just naturally take to each other like ducks to water. A credit organization pledging itself to help its members and promote good credit practices and policies just can not help but be the means to the end result, good credit education and increased credit sales.



Part of Downtown Canton

The Credit Bureau of Canton

O. E. JOHNSON

Manager, Credit Bureau of Canton
Canton, Ohio



IN 1917, Frank Bruce Blakemore opened a small collection office in Canton, Ohio, the personnel consisting of himself, one office girl and several high school boys, who worked after school hours. The collection business continued to grow and later expanded to include credit reporting. Because of this development the credit reporting division was separated in 1921 and incorporated as the Business Men's Credit Bureau, Inc., with Mr. Blakemore as Treasurer and Manager. The collection department division continued with Mr. Blakemore as owner and manager, using the trade style of Blakemore & Blakemore.

The Canton Credit Rating Bureau was formed in 1922 and was supported by 16 retail stores operating on a special group basis only, with an office staff of two girls. The Bureau had no full-time manager but was supervised by a committee, headed by Henry L. Bickler, who was then and still is, Credit Manager of The Livingston Furniture Company. The operations were expanded, new members secured and in June 1927, that business was incorporated under Ohio laws as a non-profit organization. The working staff was enlarged to handle the increase in volume and several years later Mr. Thomas L. Davis was employed as full-time manager. In February 1940 a collection department was added to better serve the growing membership. In 1942 Mrs. Beulah Wagner was hired as manager and remained with the organization until September 1, 1946, at which time O. E. Johnson assumed the duties of Secretary, Executive-Manager and he still continues in that capacity.

The Retail Merchants Board in May 1938 incorporated and began operating a division known as Retail Merchants Credit Bureau with Charles M. Isaac as Executive-Manager and a small working staff. This organization served some of the retail stores who were affiliated with the Merchants Board and continued until May, 1940 when this operation was taken over and consolidated with the Canton Credit Rating Bu-

reau, located in the Kahler Building at 312 Third Street, N. W.

The Business Men's Credit Bureau and the collection firm of Blakemore & Blakemore continued on the fifth floor of the Harter Bank Building and following the death of Mr. Blakemore in 1935 his widow, Mrs. Gertrude F. Blakemore assumed full management of the business. In June 1945 The Canton Credit Rating Bureau purchased all of the above operations at which time the collection department of the Bureau and the collection business of Blakemore & Blakemore was sold, since which time all efforts have been devoted to credit reporting services only. At the time the two Bureaus were consolidated and continued to operate at the Harter Bank Building location, the consolidated collection departments continued at 312 Third Street, N. W. under the new ownership.

In line with suggestions from the Associated Credit Bureaus of America in September 1945, the corporate name was changed to Credit Bureau of Canton, Inc. Continued progress made it necessary to find larger quarters to expand operations and on December 1, 1954 the bureau moved to a new building erected to meet the needs of the organization, which is located at 128 Third Street, N. E. in the center of downtown Canton.

We have the 101 key type telephone system which is the largest of its kind in the city of Canton, consisting of 12 identical stations with 20 lines, 10 of which are direct to the credit department of members. In addition, we have the only tele-autograph machine operating from our office to another place of busi-

ness in the city. Our reports are housed in 51 filing cabinets consisting of approximately 299,890 complete reports and we maintain our legal files, for the entire county, containing about 553,260 legal items. During the past year 95,526 reports were issued to our members and affiliated Credit Bureaus. We have an office staff of 25 employees serving 286 members and have the only Credit Bureau operation in Canton serving all classifications of business doing a consumer credit business. One of the services of our organization, to its members, is a very complete monthly bulletin we publish covering the entire county in which we are located and which includes: Trusteeships, Trusteeship Reinstatements, Bankruptcy Petitions, Court of Domestic Relations (Divorces filed), Divorces granted, Non-responsibility notices, Judgment Liens, Federal Tax Liens, Court of Common Pleas and Municipal Court actions. All of this information goes into our files daily and in addition we post all Chattel Mortgages and cancellations, Auto Liens and cancellations, Real Estate Mortgages, Deeds and transfers, Marriages, Deaths and Newspaper clippings.

At the time of moving to our new location we had a complete new telephone system installed, all of our desks and office equipment are new, with a perfect new lighting system, air conditioning, acoustical ceiling and we are now housed in a most modern office, with 3,000 square feet of floor space which permits a more efficient operation and allows ample room for future expansion. We moved to our new location, only our filing cabinets, since which time additional files have been purchased, to meet the needs of a growing operation and look forward to a steady and continued growth of the Bureau to always meet the needs of our ever increasing number of members. We are members of the Associated Credit Bureaus of America, Associated Credit Bureaus of Ohio, Associated Credit Bureaus 5th District, Credit Bureau Reports, Inc. and the National Retail Credit Association. ★★★



Malone College

A Sound Collection Policy Gives You Job Security

PAUL J. FEICHT

Manager of Credit Sales, Thurin's, Canton, Ohio
Past President, Credit Executive Club of Canton



THERE IS nothing new about "credit." Undoubtedly, it began shortly after man came into being and doubtless the first past-due account followed shortly thereafter. Thus, your job and mine!

Now, as we emerge into the space age, we all know that "credit" has kept pace and certainly has become jet propelled. In this evolution of credit, you yourself have progressed from a Credit Manager, into a Credit Sales Manager, as well as a master of devious credit policies. As you do your job today, it is so dovetailed with sales, that it is impossible to determine where one job stops and

the other starts. Actually the point is indeterminable and cooperation becomes the by-word of success.

A progressive credit sales manager has one prime interest; to better himself by successfully fulfilling the duties of his position. By doing this, he aids in increasing sales, collects for the merchandise sold and consequently aids his employer in realizing a more substantial profit. Thereby, he may increase his own earnings and give himself the satisfaction of job security.

To accomplish this end a planned program must serve as the foundation of the credit department. Basically business is built on a simple premise. The job consists in selling merchandise or service at a reasonable profit and then to collect the fee in full in a reasonable length of time. In this discussion we will concern ourselves with the latter phase, namely, "collection," and the use of a sound system.

Good collecting always starts with good selling of the credit contract. If a sale is made and a clear-cut understanding is had as to the manner of payment, your battle is half won. From here on persistence is the keynote to finishing the collecting. It has long been known that the man who gets there first is the man who gets his money. If payments are not made on the due date, waste no time in following on fulfillment of the agreed terms. It is always well to remember that the customers who pays too slowly will most always make his next purchase at another store. Part of your job is to keep the customer paying promptly so that you may depend upon his repeat business. Marshall Field, a most famous American merchant, who had a reputation for knowing customers personally, still insisted on prompt pay. His theory was, "Customers who pay you, trade with you again; customers who do not pay you, trade elsewhere."

A sound collection policy is necessary when doing business on credit. We know that slow paying accounts will follow as certainly as night follows day. A large percentage of slow paying accounts come about by cir-

cumstances beyond the customer's control. It is also true that many slow pay accounts come about because of poor budgeting, carelessness and the like. We must more or less accept the slow pay account as a necessary evil and part of the calculated risk in accepting credit business. It is part of your job and mine to determine into which of the above categories an account fits and then to judiciously apply your collection methods.

Tactfulness is the magic way to maintain the customer's good will while collecting a slow account. You must learn how to study human nature and to know how to handle your customer properly in maintaining good will. "Telling off" your customer may collect the account, but will never retain good will or bring repeat business.

A good credit sales manager will allow the customer to "tell him off" and then by tactful methods show him the error of his thinking and bring him to an understanding of the problem. True, this cannot always be done with full success. However, courtesy will never go amiss in the long run. Care must be exercised to distinguish the use of tact from "being easy." Use of the latter will not help to maintain collection ratios at the proper level, even though it may bring repeat business. Tact will do both jobs well.

Since good selling brings about good collecting, it is most important that the customer come to the credit sales office to complete his transaction. A healthy relationship with the salesman is a must if you hope to accomplish this end. Consistent sales education of credit policy must be followed.

Next, a proper credit application must be secured; one that will give you the nucleus of a good credit sale. The terms of sale must be very clear to both parties and an understanding had as to the payment date. This date will be a great help in collection follow-up. The securing of at least one personal reference or a close relative may prove very helpful in skip tracing.



**...to you and you
...from you...you
...and you**

No Christmas gift is more widespread or important in effect than Christmas Seals which fight tuberculosis. Given by most Americans, they help make possible the greatest gift of all—health, life itself.

To give the gift that saves lives...use Christmas Seals on every letter, card, and package...and be sure to send in your contribution today.

Buy and use Christmas Seals

This space contributed to the
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and its affiliates by

National Retail Credit Association



The Garden Center in Canton's Parkway

From this point forward, the tactful use of persistence and a request for adherence to terms is the best way to maintain a good account, secure repeat business, and build good will. When arriving at the amount of down payment, it is well to ask, "About how much did you have in mind paying down?" More often than not you will get an amount greater than your minimum requirement.

Sixty days should be considered a reasonable length of time for settlement of regular open charge accounts and collection effort should start about that time. The second reminder or letter should follow in about two weeks. After ninety days has elapsed the follow-up should be approximately every seven to ten days. In regard to contract payments, follow-up should be at very definite intervals. If you allow payments to slide over a longer period without follow-up, your customer becomes educated to this ease and will follow the same pattern in the future. Ultimately losses become greater.

If two or three routine reminders or form letters bring no results, a telephone call should be made. In this call be cordial but do all in your power to secure a definite promise as to the amount and date a payment might be expected. If the promise is for a partial amount, then try to get a further commitment as to the remaining balance. By doing this, your work is made easier by referral to the previous promise, and many times spurs the customer into making a payment. If time permits, extensive use of the telephone may well serve as your best collection tool.

In more severe cases where reminders, form letters, and phone calls bring no response, personal letters must be used unless an outside collection man is on your payroll. In personal letters you may many times get results by analyzing the age and serious condition of the

account. When the customer comes face to face with the actual age of the account it can cause enough embarrassment to bring quick results. Any reference to more drastic action if no response is had, must be followed as noted or the customer will call your bluff for once and all.

When you begin to think your efforts have been in vain, you might resort to this strategy. Write a letter under the store manager's name, referring to an impending audit of the books, or an auditor's request letter.

If a complaint has been registered against unpaid merchandise, it is well to note this fact on the customer's ledger. Never push for collection until you are certain the merchandise is satisfactory. Use your efforts to get the complaint settled.

The age old practice of adding a digit to small balances is still almost foolproof in the collection of small nuisance balances. If a payment is not secured at once, at least a call will come in that gives you a chance to talk to the customer.

Credit reminders are made up in possibly a million different forms, shapes and sizes. Each credit man has his own likes and ideas as to which does the best job. Your own success and type of clientele should be your guide. A varied assortment of reminders should be available so that you do not repeat the same



The cover picture portrays the beautiful McKinley Monument in a seasonal setting. This picture illustrates the dignity of the memorial in a direct view that also shows the statue of President McKinley midway on the one hundred step stairway.



Fawcett Stadium

notice to the same customer from time to time. A message that mentions when the purchase was made, or refers to the length of time past due, has been very effective. In regard to revolving or instalment accounts, a listing of the payments in arrears has been helpful in bringing the account up to date.

When your efforts in collecting an account are fruitless, extreme care should be exercised before referring the account to a collection agency. Be convinced that the customer is not making an honest effort to clear his obligation. If you are sure the customer is working, has had no real emergency, or has not been fair with you, then select an attorney or agency who had over the years maintained a reliable reputation. Good will still is a factor for relatives and friends of this customer may also be your customers and you must run no risk in losing them.

Aside from your actual collection efforts the most advantageous and rewarding experience of credit lies in the time spent fostering credit education projects. One of the most rewarding is "prompt pay education" on a city-wide basis. Too many Credit Managers are willing to "let George do it." Actually, each and every Credit Sales Manager has a civic duty to participate in all such efforts. The most fruitful of this type program is in sponsoring educational programs for high school students. At this level a sustained program will gradually be evident in the better pay habits of the younger generation. School Boards and Teachers have been very cooperative in combining such a program with the school curriculum. A panel of speakers, prepared to address various civic groups and clubs, is also very well accepted and beneficial. The material furnished by the National Retail Credit Association makes preliminary work quite easy. Programs of this nature should be part of your sound collection policy, for it will make your work easier in the years to come. ★★★

Real Estate Mortgage Loan Collections

ROBERT P. COLANER

Assistant Vice President, The Citizens Savings Association
Canton, Ohio



THE COLLECTION policy of accepting only full payments to date is successfully enforced by its proponents. However, most credit managers would not give such a supposedly "harsh" policy a try for fear of the public relations repercussions against the company.

In the collection of home loan payments on first mortgages however, I know of a number of financial institutions where the policy of accepting only full payments to date has resulted in tremendous savings in collection cost, unusually few foreclosures, and very satisfactory public relations.

Following are thoughts behind the adoption of this policy:

A. Insisting upon full payments to date is the most effective collection tool that a mortgage loan credit manager can have. If a borrower has the capacity to pay, he will meet his obligation on a current basis, rather than be faced with the necessity of making two or three payments together at a later date. Then too, many mortgage contracts in Ohio contain a provision whereby the entire loan balance may be called due after an account has become more than 60 days in default. If the borrower realizes that missing two payments places his home ownership program in jeopardy, he will pay if he possibly can.

B. This policy brings the borrower's problems to the attention of the collection officer at the earliest possible date. The earlier the problem is discussed, the greater the chance for solution. When the borrower tenders only one payment when two or more instalments are due, he is courteously referred by the teller to the loan service (collection) officer. Tellers, when noticing that more than one payment is due, are trained to approach the subject by saying, "Mr. . . . , according to your record, it seems that you have two payments due today. Did you want to take care of both of them?" If the answer is "yes" there is no problem. But, if the borrower will not pay because he doesn't realize or believe that he is behind, then he is referred to the loan service of-

ficer. (That is a better term than "collection" officer.) Tellers must also be trained to refer to borrowers as "in arrears" on payments, rather than delinquent.

C. Generally speaking, less good will and respect is created by following the weaker policy of crediting whatever payment is tendered. If a credit manager does this for a while and later tries to bring the case to a conclusion by insisting upon full payments or that payments in arrears be made up, he places himself in a difficult position. The customer reasons that if interest only or some other part payment was accepted for a time, it is unfair to suddenly insist upon the account being paid according to contract. At this stage the collection officer has generated more dislike for the company, than would have been the case if full payments to date were insisted upon in the first place.

It is much better to tell the borrower that only full payments to date can be accepted, but that he will certainly be given 30 to 60 days to make up the missed payment and thereby preserve his perfect record of payment. The borrower can be informed that his credit standing is not impaired when he adheres to a definite schedule to reinstate the account on a current basis . . . that this procedure is much better than having the record show a part payment which is a violation of the terms of the mortgage contract. To assist borrowers who claim they will be tempted to spend the money tendered if it is not accepted, a savings account can be opened for deposit of part payments until enough is accumulated to reinstate the account on a current basis. This practice keeps the obligation to cure the default on the borrower where it belongs. People expect a firm, but fair collection policy from a financial institution that is responsible for the safety of the savings of others. Borrowers are not offended to hear that the financial institution expects the home loan payment to be second in importance only to the food or doctor bills in the family budget. Credit managers can sympathize with the

fact that other creditors must be satisfied somehow. Nevertheless, shelter and food bills must come first.

If poor management or excessive obligations in relation to income make it clear that the borrower is in a hopeless situation, the policy of crediting only full payments to date results in such cases being faced squarely and brought to a conclusion at the earliest possible date. For the borrower's own good, this is better than allowing his situation to progress from bad to worse until all equity is lost and the financial institution has a difficult and belated foreclosure on its hands instead of a clean payoff through an earlier private sale of the property. Is there anything more detrimental to public relations than the required public notices that accompany a foreclosure sale?

D. Collection costs are reduced considerably because primary responsibility for curing defaults is kept on the borrower, not on the collection department. In place of the collection department personally chasing the balance of part payments every month, they go after the chronic slow payers only every two or three months. Thus, the borrowers who pay (after prodding) every three months, instead of monthly as per contract require only about one third of the time, stationery and postage, when a collection department operates under a full payment to date policy.

Like all policies this one has exceptions and with the approval of the collection officer, exceptions are made. When the loan balance is low compared to the security; when the customer has established a solid record of payment; or in case of prolonged unemployment, serious illness or other family emergencies, exceptions are happily made. When these exceptions are made, the credit officer informs the borrower that an exception to the regular collection procedure has been made for him—with the understanding that reporting dates, or a schedule for reinstating the account on a current basis will definitely be followed. ★★★

Promoting Credit Sales

KAY FENTON

Credit Manager, The Stern and Mann Company, Canton, Ohio
Past President, Credit Executive Club of Canton



MANY CREDIT managers in our city could have been asked to express their opinions on the subject of sales promotion through the efforts of credit department operations, and we are honored that our store has been chosen to contribute this article.

The most important element we have to offer in our credit department is friendship and understanding with our customers, and, of course, with our sales people. There is no expense involved in the development of friendliness and cooperation with our fellow employees, but the dividends are of unquestionable value.

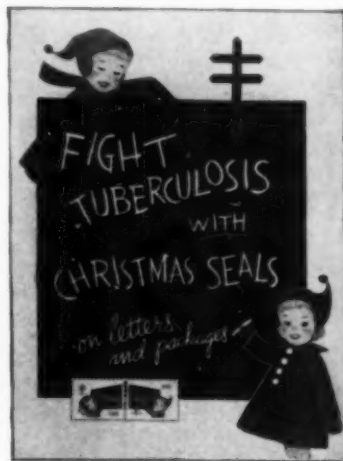
Cooperation With Others

Self preservation is the first law of nature, and since we all have a job to do for ourselves, and for our firms, it certainly behooves the credit department, in each case, to lend its fullest cooperation and understanding to every facet of our business organization and its procedure. The efforts of each of us is needed to help one another make a better living, and as a result, our firm also flourishes—this all stems from the friendship and understanding we extend each other, and it costs neither you, nor your company, anything at all, but this kind of cooperation produces more and better sales.

The ability of knowing how to handle people, first as human beings, and next as customers, is a priceless asset, especially necessary for the successful handling of credit, on which our own lives, as well as our economy, is based today. Credit managers, interviewers, cashiers, in addition to all other credit office personnel would do well to expend more effort in the development of this

single quality. The reward of common courtesy to your fellow men is tremendous.

During the past year, our credit department has been playing an especially important part in our various sales promotion efforts. Our new "Flexible Credit Account" plan, which is our budget type account, has been inaugurated, and has been received by our customers with over-



whelming success. Increased sales on these accounts clearly indicate to us that thousands of our regular thirty-day accounts do more buying when given an extended payment plan for handling their purchases. Our newspaper advertising is tied in with this new credit service at regular intervals which has netted our organization a steady flow of new accounts, again proving the importance of "sales promotion through the credit department."

Another very impressive feature of modern credit departments is the pleasant association created with

your customers. No longer is the credit manager considered an old grouch, entirely bent on insulting everyone within sight because accounts are not paid exactly as agreed, or because some favor is asked by a customer. Friendly surroundings, pleasant employees, and an air of willingness, created in today's modern credit offices, give your customers a feeling of being wanted, and favorable results on this score are amazing. Nowadays, problems are solved, errors corrected, favors granted to customers when necessary without fear to them of being offended. All of this increases sales and builds a bigger and brighter future for your "Bosses" and yourselves.

Sell Services Only

A very important fact to keep in mind when extending credit is the non-competitive aspect in credit departments. Unlike any other department in your organization, you have nothing to sell. All of the efforts expended in the various credit departments are purely and simply "services," and these services you give away, with the thought and hope that the return will be "additional buying."

There are, of course, many programs and campaigns used by all of us, from time to time, in an effort to stimulate sales. Most of this advertising is tied in with your charge account programs, and you become an integral part of your "Store Wide Sales Promotions."

All in all, your credit department plays a very important part in your store operations, and I have always deemed it a distinct privilege to be a part of the Stern & Mann Company credit family. ★★★

THE 45th ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE

STATLER HILTON HOTEL, DALLAS, TEXAS, JUNE 21-25, 1959

National Retail Credit Association

Credit Women's Breakfast Clubs of North America • Associated Credit Bureaus of America

We Hired "Miss Due Date" and Fired "Miss Too Late"

MARTIN JACOBSON

General Manager, The R & J Furniture Company
Canton, Ohio

FOR MANY YEARS National Retail Furniture Association has been stressing the advantages of the due date collection system. Seven years ago we installed such a system in our store. It has worked wonders for us. It has increased our monthly collections from a low of seven per cent per month to a current monthly average of 15 per cent. When we installed this system our accounts receivable were approximately twice as great as they are at the present time and yet our total dollars collected monthly are greater now than they were then.

To be successful in the retail furniture business it is necessary to do a "cash business"! You should continually take in enough cash to cover your total sales volume! Some retailers find it difficult to accomplish this because they have not established a sound plan for turning their accounts receivable. As a basis for discussion I suggest the following simple formula:

Annual volume divided by two equals a desirable Accounts Receivable figure. Then, if you get 10 per cent down and collect 15 per cent of your outstanding monthly, you will be doing a cash business. If your down payments are higher, you can collect a smaller percentage of your outstanding and still do a cash business. In addition to down payments and your monthly collections, you have your normal cash business to supplement your cash position. You can vary any of these factors as you see fit. There are many stores that are currently operating with less than a 10 per cent monthly collection figure. The important thing is that you collect your money. If you permit yourself to do

business on "easy credit," you are weakening your collection potential. A good rule of thumb is to collect one-half your money in six months. If you sell \$1,000.00 worth of furniture, you should get \$200.00 down and \$50.00 per month. If you follow this rule of thumb, you will never have any money problems.

Collecting your money properly is a very important job. It must be done efficiently and economically otherwise you will not do it profitably. The first step is to make sure that the customer understands his responsibility and just what is expected of him at the time the account is opened. The second step is to follow the account promptly and efficiently as soon as the customer drops behind in his payment. Naturally, this procedure implies a firm collection policy. After seven years of experience with such a policy, we find ourselves in a healthy financial position at a time when some retailers are finding it difficult to meet their obligations.

Here is what the "due date" system will do for you:

1. Help you collect your accounts receivable.
2. Substantially reduce the capital required for your accounts.
3. Reduce collection cost.
4. Most important of all—help you increase your volume because:
 - A. Your customers will have more respect for you.
 - B. Your customers will buy from you rather than from your competitors because their account is up-to-date.
 - C. You have all the extra money which you gain through points two and three that you can turn into additional Accounts

Receivable on a "2-to-1" basis. (Remember, "the volume divided by 2 formula.")

Here is how the plan actually works. After selecting merchandise the customer is introduced to the credit interviewer. This interviewer is either the owner (in which case you have a lot of other things on your mind) or a thoroughly experienced employee (if you are lucky)—or some very capable person who has all the qualifications except experience. Regardless of which of these three it may be, it is imperative that you have a set of rules to follow—yes, rules even for yourself. Interview the customer thoroughly. This includes add-ons and re-opens, even if they just closed their account last week. Base everything on the customer's current ability to pay. In addition to all the other information you get at the time of the interview, make sure that you have the answers to the following:

1. Where they are working?
2. How long they have been working there?
3. What is their take-home pay?
4. Do they own their own home?
5. How long have they lived at their present address?
6. How many dependents? (Any new babies?)
7. How long have they lived in your town?
8. Who is their closest relative?
9. How much do they owe and whom do they owe?

Get all the information! Most important of all—what is their current take-home pay? If you have been lax in your credit department through the last few years, then your problem will be twice as difficult because you will have to reappraise the account and decide whether it was your fault that the account was slow paying. You must judge the customer's current ability to pay. You cannot turn down the customer because he was slow paying sometime in the past . . . because it might have been your fault!

The customer's ability to pay changes with the times. Remember, even if the customer paid out his account last week and had a perfect record, his earning status may have changed since that time. It is your responsibility not to overload the

Department Store Credit for September

INSTALMENT ACCOUNTS outstanding at department stores increased 1 per cent during September and at the month-end were 2 per cent above a year ago. Collections on these accounts in September were 16 per cent of first-of-month balances, 1 point above a month ago. Charge account receivables increased 10 per cent during September, somewhat more than seasonally, and were 2 per cent above a year ago. Collections amounted to 48 per cent of first-of-month balances. Total sales at reporting department stores were 6 per cent above the previous month, reflecting increases in both cash and credit sales. Compared with September 1957 total sales were up 3 per cent.—Federal Reserve Board.

customer. Don't be afraid to ask them what their take-home pay is. During the interview the interviewer should mention the due date no less than three times. This is the time to establish the customer's responsibility for making his payment on a definite date. Payments should be made monthly. Whenever possible, let the customer select his own due date. Try to distribute the number of payments expected on each day of the month and, thereby, more evenly distribute the work in the office.

After the account is opened and the due date established, the customer's ledger card is placed in the due date file. The simplest filing procedure is as follows:

Three files are set up side by side, each indexed from one to 30. The first file is for the current month; the second for the following month and the third for delinquent cards. At the end of the month the second file is moved to the position of the first and becomes the current file. What was the current file becomes next month's file.

A "due date calendar work chart" is prepared (see chart illustrated). The usual practice in making up such a chart is to maintain four or five days between each date on

"DUE DATE" CALENDAR WORK CHART

	1st NOTICE	2nd NOTICE	3rd NOTICE
1st	26th	21st	16th
2nd	27th	22nd	17th
3rd	28th	23rd	18th
4th	29th	24th	19th
5th	30th	25th	20th
6th	1st	26th	21st
7th	2nd	27th	22nd
8th	3rd	28th	23rd
9th	4th	29th	24th
10th	5th	30th	25th
11th	6th	1st	26th
12th	7th	2nd	27th
13th	8th	3rd	28th
14th	9th	4th	29th
15th	10th	5th	30th
16th	11th	6th	1st
17th	12th	7th	2nd
18th	13th	8th	3rd
19th	14th	9th	4th
20th	15th	10th	5th
21st	16th	11th	6th
22nd	17th	12th	7th
23rd	18th	13th	8th
24th	19th	14th	9th
25th	20th	15th	10th
26th	21st	16th	11th
27th	22nd	17th	12th
28th	23rd	18th	13th
29th	24th	19th	14th
30th	25th	20th	15th

which notices will be sent. The first thing each morning an office girl refers to this calendar chart that indicates which sections of the file must be worked that day. For example: On May 20, the clerk checks the cards that are in the current due date file in the 15th section. The cards found there are for those customers who did not pay in accordance with their due date. If the customer, whose payment was due on the 15th, made his payment as agreed or within the five days grace period, the cashier, after making the proper entry, re-files the customer's card in the next month's file in the 15th section. The clerk, who is working from the "Calendar Work Chart," on May 20, sends a first notice to those accounts due on the 15th; a second notice to those accounts due on the 10th, and a third notice to those accounts due on the 5th. At the time the third notice is sent the ledger card is placed in the delinquent file for special follow-up and collection effort by the collection manager. The collection manager must determine how long to wait after the third notice is sent and what action is to be taken. By following the due date system the collection manager sees only those cards which require looking after. ★★★

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by

WALDO J. MARRA

Author, Lecturer and Authority on
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Consumer Credit—A Rose or a Thorn

C. CANBY BALDERSTON

Vice Chairman, Board of Governors of the Federal Reserve System
Washington, D. C.

IN HIS ESSAY on Compensation, Emerson observed that "Every sweet hath its sour; every evil its good. . . . For every benefit which you receive, a tax is levied. . . . Every thing has two sides, a good and an evil."

The age-old problem of how to have roses without thorns is well illustrated by consumer credit. Consumer credit may properly be referred to as a rose because of the role it has played in advancing the scale of living of citizens generally. Doubtless technical advance would have permitted Americans to achieve eventually the wide ownership of homes, autos, bathtubs and television that they have now achieved. But consumer credit enabled them to get these things sooner than otherwise. The saving process is so slow for a young family with children that they prefer to go into debt to own a home of their choice and to equip it rather than to wait indefinitely. Even those who are critical of the gadgets that surround us must admit that an astounding proportion of Americans now have the physical basis for a pleasanter life. And those who were skeptical of the consumers' ability to handle debt must recognize that the record of financial responsibility has been remarkably good.

Like most roses, consumer credit also has its thorns. The recession from which we are emerging, in part a consumer-durable-goods recession, reminds us of the influence of consumer credit in the consumer boom of 1955. In that year the outstanding volume of instalment credit increased \$5½ billion or almost 25 per cent. This increase was accompanied by a significant easing in the terms on which consumer credit was extended, particularly credit to purchase new automobiles. By mid-1955, 30-month instalment contracts on new automobiles were typical as against 24 months the year before,

and contracts with 36-month maturities were becoming common. At that time, the down-payments standard of one-third of the transaction price was still being adhered to, but over-allowances on trade-ins were lowering the effective down payment and the buyer's equity. With this impetus, 7.4 million new cars were sold in the domestic market, an increase of more than one-third over 1954. The same liberalization of terms was evident in the use of credit to expand residential construction at an accelerated rate. You will remember that in 1955 new housing starts reached one million 329 thousand.

Price Increases

In the second half of that year the thorns began to appear in the shape of increases in the prices of industrial products amounting to almost four per cent. The chain of events that followed has caused many thoughtful persons to question whether the obvious gains from the use of consumer credit are bought at too high a social cost if it accelerates an already booming market for consumer durables. You will recall that the consumer boom of 1955 was followed by an expansion of inventories in every consumer-durables industry during 1956 even though the sale of automobiles declined sharply. This industry, a mighty force in the economy, appeared to have over-extended itself and to have slowed down for a while. Automobile executives and workers must have regretted that the 1955 market was over-sold by at least a million cars.

This consumer boom was no small factor in inducing subsequent management decisions that were not altogether prudent. In 1956 businessmen expanded their outlays for plant and equipment at a rate 22 per cent faster than in the year before. Thus a plant-expansion boom, triggered in part by the consumer boom of 1955, drove the cost of building materials and labor higher and higher. This upward movement led some manufacturers to believe that if they were going to need expanded capacity, they had better get it promptly before costs rose still higher. As a

result, many of them discounted the growth in demand for their products for years ahead. When the awakening came during the last half of 1957, many industries became aware of excess capacity.

Most tragic of all was the unemployment that resulted. Having obtained the consumer durables that they needed most, having automobiles that were still good for thousands of miles, and becoming disenchanted with the increased prices, consumers when on a buyers' holiday. There developed an over-supply of stoves, refrigerators, washing machines, radios and television sets. Production schedules were cut back and men were laid off. The construction boom also languished and here again men were laid off. And so, in 1957 and 1958, society paid in unemployment, lost salaries and lost profits the price of another bust that followed in the wake of a boom which we must, in all honesty, recognize was helped on its way by the excessively rapid growth of consumer credit.

This poses the question as to whether it is socially desirable to have selective control over consumer credit, in addition to general fiscal and monetary control. The decision must represent a value judgment based upon a balancing of gains against disadvantages. To diminish the unstabilizing effects of consumer credit has strong appeal to those who feel that, despite its benefits, excessive fluctuations in its use should be prevented in order to minimize economic instability. But if selective control is to be employed, the disadvantages of such control need to be faced up to and removed if possible. In the use of margin requirements to prevent excessive flow of credit into the stock market, supervision and enforcement are not too difficult. In three previous efforts to regulate consumer credit, however, the administrative difficulties were so great that the Federal Reserve System, which had the task of enforcement and the 200,000 retailers and financial institutions to whom the regulation applied breathed a sigh of relief when the ordeal was over.

MR. BALDERSTON gave this address at the New York State Bankers Association, Management Conference on Instalment Credit, Hotel Commodore, New York, N. Y., October 23, 1958.

To gain a proper perspective of the role of selective controls, one must compare them with general fiscal and monetary policy. Fiscal policy acts through governmental surpluses or deficits, which reflect both governmental spending and taxing. The direct responsibility rests upon the Congress and the Treasury. General monetary control, entrusted by the Congress to the Federal Reserve System, has the particular role of regulating the reserves available to the commercial banks so that the bank credit may contract and expand flexibly in accordance with the fluctuating needs of the economy. The Federal Reserve has the task of controlling the supply of money and credit in total, leaving its allocation to the competitive forces of the free market. Credit is allocated in the marketplace to those credit-worthy borrowers who are willing to pay the going price. The apportionment among individual borrowers is left to competition between private borrowers and private lenders, even though the responsibility for influencing the total supply of credit rests with the central bank.

In contrast to this relatively impersonal allocation of the money supply are so-called selective or direct controls. Broadly speaking, they embrace rationing, and price and wage controls, as well as regulation of specific uses of credit. If any of these is used, government intervenes in the operation of the free market. Of course it also intervenes when it uses subsidies, price supports, and guarantees to shelter particular

groups of citizens. It is clear that even if these supplementary controls are helpful in meeting emergencies, they are no substitute for general fiscal and monetary controls. Without the general controls, inflationary pressures will break loose eventually.

Through the use of general credit measures, supplemented by stock-market margin regulations, economic fluctuations have been greatly moderated in the period since 1950, despite a sharp increase in both public and private debt. Since 1950 we have added \$20 billion to consumer installment credit outstanding, \$90 billion to mortgage debt, and \$85 billion to corporate debt—in considerable part to finance additions to plant and equipment. We have also added to the Federal debt, largely as a result of the need to reorganize and re-equip the defense establishment in view of the rapid technical advances which have taken place in a world of continuing international tensions. At the same time State and local governments have borrowed \$30 billion to finance schools and highways and for other purposes.

When one contemplates these magnitudes and the rates of increase they imply, both in credit and in our stock of real wealth—homes, automobiles, factories, and public facilities—it seems almost a miracle that we have been able to accomplish so much growth and still maintain as much stability as we have had in prices and employment. I am convinced that we could not have done even this well if we had not clung tenaciously to a sound, flexible monetary policy.

Reliance on general credit measures alone, of course, has limitations. Despite the manifest necessity for a sound general credit policy, and despite the manifest advantages of permitting the market to carry out the function of credit allocation, conditions may at times develop in specific areas that to some people would justify selective credit controls. Developments in a particular area may be unsound in themselves; or the area may be absorbing too much of the total credit expansion that is appropriate to the situation. Under such circumstances, public opinion may come to insist upon selective controls to supplement general ones.

The Federal Reserve System made a study of the consumer-credit field almost two years ago and concluded that selective controls of consumer credit were not called for at that time. It is possible, however, that developments in the future might call for a reconsideration of that view. They might create a widespread public demand for consumer-credit controls as an alternative to enhanced cyclical fluctuations or to an increased degree of general credit restraint. Such feeling might be generated, for example, if terms were once more eased radically at a time when credit demand and consumer spending were on the increase. In that case, society might decide that the benefits to be gained by consumer-credit regulation would outweigh the difficulties. If so, we should benefit from the experience during prior periods of regulation so as to minimize administrative difficulties.

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NATIONAL RETAIL CREDIT ASSOCIATION
375 JACKSON AVENUE **ST. LOUIS 5, MISSOURI**

LOCAL ASSOCIATION ATTENDANCE

JOHN K. ALTHAUS

Secretary-Treasurer, The Credit Bureau
Washington, D. C.

I HAVE BEEN asked to tell you about attendance at local meetings. I presume that means that we, together, should examine a few factors which might cause more people to show interest in what we try to do and that they decide to come to our meetings; that is the purpose of this subject.

Attendance draws from what sources? Do we simply send our announcements to a general list of people whom we think might be interested or do we have a group we may approach who can be considered to be our own? Can we have some strings tied to some credit folks, even though such strings may be somewhat questionable in strength? Naturally we can expect better results from those who have a direct interest. How can we find such a group? I wish to tell you how we make the attempt in Washington.

Annual membership in The Credit Bureau is \$25.00 per year. Of that \$5.00 goes to National Retail Credit Association and this has been our practice for about 30 years. Another \$3.50 annually goes to what we call RCA—Retail Credit Association of the District of Columbia. Membership in the Bureau is in the firm name but each firm may register as many persons as members of RCA as it chooses—up to 10 in number.

Some firms are not interested in participation and register no one, but quite a few firms register five, eight or ten names. About 500 firms are interested in RCA and they register about 1,800 persons who are individual members of RCA.

These individuals, all interested in some form of credit, when enrolled are sent a personal membership card, and these cards all expire next June 30. So we have about 1,800 persons as members in RCA in their own names. But these names change. How is this corrected?

In June of each year a form is sent to the firm, listing their members of record and asking for any necessary changes—we simply ask them to approve or change last year's list. Even if they registered no names in the previous year, they are asked to do so this year. When the letter is returned new membership cards are sent, expiring next June 30. The membership card carries the emblem of the National Retail Credit Association.

Members want these cards, they ask for them, they carry them. From these names our officers and directors are elected to RCA which we recognize as our educational and social group. So we do have an interested group to contact for our meetings.

My predecessor had the responsibility for the kind of meetings which will attract the customers and make them glad they came. One of the best reasons to attend the next meeting is because you enjoyed the last one. It is the continuing enthusiasm that counts, either at noon or night, it makes no difference. Do not overlook the fact that some come to meet their friends and cronies; some for the social aspect alone.

The meeting announcement should be received not too early, not too late; notice of an evening meeting should arrive just about a week ahead. It should be neat and attractive and sent first class mail. All of us are disgusted when we receive a notice or invitation a day or two after it happened. Make sure the notice arrives on time.

At the meeting—I still am not talking about the program—have several pleasant girls and men speak to them as they arrive, see that they meet others and when the time comes, that they are seated. Many folks are bashful and need encouragement.

Do you have a list of 30-40 or more with telephone numbers who like a personal invitation? You know if you telephone 30, you are sure to get 10 or 12 more to come. For a special occasion when because of the speaker or some other reason you are anxious for a real good turn out, give ten people (whom you can trust to do it) six or eight names and get them to call personally.

A SUMMARY of the conclusions developed on this subject at the session follows:

1. Badges with name and firm for members.
2. Printed certificate given to individual through his boss, given by association for attendance once each year. Date of January 1, 19.. is printed on certificate.
3. Salem Retail Credit Assn. has point program. "Award of Merit" plaques are given to one man and one woman each six months, July and January, for working in the association. "Honor Award" for outstanding credit personality (loving cup). Given by points: Program, 2 points; attendance, 2 points; bringing guest, 2 points; bringing credit guest, 4 points; getting new member, 10 points.
4. Change place of meeting monthly.
5. Have "Pot of Gold." In the weekly drawing or lottery use names of entire membership. Then advise the winner that he lost because he was absent and add that amount to next drawing.
6. Give everyone, especially new members, a small job in the organization.
7. Have phone committee of enough people. Rotate this committee.
8. Have sponsor follow up chairman. When a new member attends, she appoints a girl as her sponsor. This girl is then responsible for this member's attendance throughout the year.
9. Each member bring a guest.
10. Notify employer when employee is participating.
11. Bulletins be addressed to boss.
12. Have a Kum-Dubl Nite. Each member is responsible for bringing one guest.
13. Have extra copies of bulletin sent to a member of N.R.C.A. but not member of local RCA.
14. Have members of own RCA group available as speakers for other service organizations and high school to publicize RCA.
15. Letter to employer stating topic discussed at meeting to create interest in future meetings.
16. Names of guests given to membership committee. Solicit new members from this guest list. Personal contact.
17. Have an up-to-date roster for calling committee. Calling committee calls and secretary mails out double postcard for return half stating will or will not be in attendance. Follow up on cards not returned. Give members sufficient advance notification of program.
18. Bureau members broken down into groups of ten names. Breakfast club members calling each firm to obtain name of person obligated to attend N.R.C.A. meeting.

19. Bureau calls membership following announcement of meeting through bulletin and special mailing of program, time and place and things to be discussed.

20. Telephone squads well informed on what the program is.

21. Follow up after the program those who were absent and why. If they have complaint find out what they'd like.

22. Mail notice with telephone follow-up.

23. Having drawing of cash awards.

24. Prepare club calendar showing that planning and forethought have been used. Also employers can be interested knowing that the agenda contains some "food for thought" and some people do like to please the boss.

25. A kitty is collected each meeting, to be drawn from a list of all members. Winner must be present or kitty carries over to next meeting.

26. Advance notice by letter or bulletin followed by personal telephone call on the day of the meeting.

27. An award or emblem given to the members who attend a qualified number of meetings without missing.

28. New people made welcome.

29. Notice of meeting with program, followed by telephone calls.

30. Direct contact.

31. Personal introduction of guests.

32. Small table set-ups under control so that same people not always together, thus promoting better personal relationship, designating someone to make introductions. We feel that this will create more interest and desire for attendance.

33. Send return postcards five to seven days in advance. Follow with a telephone call early on the same day of meeting.

34. Have merchant donate door prize, present it and give little talk.

35. Have credit bureau charge meals to the business house, enabling management to know if you are attending meeting.

36. Have social meeting on special days inviting wives and sweethearts.

37. Personal calls the day of the meeting and give a short biography of the speaker. Make them feel welcome.

38. Close meetings on time.

39. Send out a letter with comic characters to depict the type program to be held.

40. Send out bulletin with heading regarding meeting.

41. Get very good newspaper publicity.

42. Split membership into business classifications and designate someone to contact each classification. Any guest, prospective member's dinner paid by the association with advance notice by the sponsor of the guest.

43. Well-planned meeting with advance notification, using unusual method of letter such as comic strip character depicting type of subject to be covered. Reservation cards enclosed. Non-reservation to be followed by personal telephone call.

44. The program should be known to the members before the meeting. Personal contact by telephone and a personal interest in each member such as someone to greet them at the door and make new members acquainted and make them more anxious to be a part of the organization by giving them a job of some kind in the club.

45. One suggestion is to have members as they arrive pull a number from a box and be seated at table of corresponding number. This will enable members to become better acquainted with members who are not so closely associated in their daily work. ★★★

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These firms ordered copies for each of their offices or for each of their executives.

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NATIONAL RETAIL CREDIT ASSOCIATION

375 Jackson Ave., St. Louis 5, Mo.

Please send me copy (ies) of How to Locate Skips and Collect. Check for \$5.00 must accompany order.

Name

Firm Name

Address

City Zone State

NATIONAL RETAIL CREDIT WEEK, 1959

The Philadelphia Program

NATIONAL RETAIL CREDIT WEEK will occur April 19 to April 25, 1959. Plans should now be made by local committees for maximum participation in this important event.

We are grateful to Charles F. Sheldon, Manager, Philadelphia Credit Bureau, Philadelphia, Pennsylvania for permission to print the excellent suggested program developed by a special committee known as The National Consumer Credit Week Committee. Other communities will find this program to be helpful to them in developing their own programs. This should serve as an excellent guide for thinking and planning.

This program of activity is submitted as a working model for National Retail Credit Week. After consideration and discussion, the selected items will become the basis for committee approval and then assignments to committees for progressive action toward the "WEEK."

1. Invite other sponsors.
2. Appoint committee of representatives from each sponsor.
3. Major objectives.
4. Public Relations Counsellor.
5. Specifics.
6. Desired results.
7. Budget.

1. Invite Other Sponsors.

- A. Philadelphia Credit Bureau.
- B. Philadelphia Retail Credit Managers Association.
- C. Retail Merchants Credit Association.
- D. Pennsylvania Consumer Finance Association.
- E. Philadelphia Credit Union League.
- F. Pennsylvania Credit Union League.
- G. Group No. 1 Pennsylvania Bankers Association.
- H. United Business Men's Association.
- I. Philadelphia Savings & Loan Association.
- J. Local Chambers of Commerce.
- K. Philadelphia Medical Societies.
- L. Philadelphia Dental Societies.
- M. Philadelphia Medical Assistants Associations.
- N. Pennsylvania Medical Assistants Associations.
- O. Philadelphia Merchants Associations.
- P. Others.

2. Appoint Committee or Representative From Each Sponsor.

It is presumed that the sponsors will appoint a representative and, perhaps, an alternate to this Committee.

3. Major Objectives.

A. Call attention to the great buying potential of the public by use of consumer credit.

B. Stimulate sales during the "WEEK" of all merchandise sold on credit.

C. Educate the public to the importance of promptly meeting all consumer credit obligations.

D. Call attention to the role consumer credit plays in the distribution of goods and services.

4. Public Relations Counsellor.

Some outstanding individual, or group in Public Relations, should be appointed or hired to direct the specific activities. The job to be done requires outstanding leadership and performance. We have the leadership and will to do a bang-up job. But it can't be done by part-time performance. We recommend the hiring of an outstanding firm of Public Relations Counsellors at an approximate cost of \$2,500 plus the cost of promotional material.

5. Specifics.

A. TRANSIT AD CONTEST: New Transit-Ad card to be placed for 100 per cent coverage of routes now being used (about 1,100 cars). To obtain the best possible card, a contest has been approved offering prizes large enough to be a real incentive for an outstanding suggestion. The contest rules have been announced. Our present target date for the new ad to appear in the cars is May 15, 1959.

1. Newspapers, radio, television and trade magazine announcements of Ad.
2. Inserts of Ad for all bills and available to all sponsors and their membership.
3. Car cards for Credit Office display. (See contest rules at end of story.)
- B. Mayor's Proclamation.
- C. Radio interviews with credit managers—Also radio spot announcements.
- D. Television interviews with credit managers. Also television spot announcements.
- E. Trade Journal stories of "WEEK" and Credit Bureau operation.
- F. Sunday newspapers (city, neighborhood and suburban papers) feature story of Philadelphia Credit Bureau and other Credit Files who are sponsoring "WEEK."
- G. Special newspaper advertising pages or section on consumer credit with individual ads for sponsors.

(1) All news ads to stress sales and include subliminal suggestions for establishing a prompt credit record and *paying of bills promptly*.

H. Showing of credit film—National Retail Credit Association. We own one copy. Now being used in John Bartram High School Course.

I. Additional news story to:

1. Financial editors of newspapers—Use of Consumer Credit.
2. Editorial writers of newspaper—Consumer Credit in our Economy.
3. Women's Page of newspapers—Clothes Budgets.
4. Women's wear publicizing our publicity.
- J. Window Displays:
 1. History of Consumer Credit—Bank windows.
 2. Store windows—Clothes and other merchandise ensembles and monthly payments.
 3. Department fashion displays and monthly payments.
 4. Transit-ad—Signs to be included in all displays.

National Retail Credit Week

The 1959 National Retail Credit Week begins Sunday, April 19 and ends Saturday, April 26, 1959.

5. Suggestions for displays to be mailed with all announcements to members and radio and television spots (1958 Suggestion card attached).

K. Chamber of Commerce Magazine story—Credit Bureau.

L. Philadelphia Magazine.

M. Chamber of Commerce to be requested to mail letters to all members for co-operation in "WEEK."

N. Hold a dinner with speakers of National repute on value of consumer credit, Vice President Nixon could be contacted. Radio and television coverage.

O. Salesperson contest to open new charge accounts.

P. Prize of \$100 in merchandise for the person who is number 1,000 to open a new account—an activity of each store, or something along this line. "E" bond for an essay on "How I Use My Credit Effectively," etc.

6. Desired Results.

A. Increase sales of goods and services through use of consumer credit.

B. Reduce cost of operations by improving collections.

C. Increase understanding on part of public of how to use their credit intelligently.

7. Budget.

A. Public Relations Counsel	\$2,500.
B. Transit-Ad (12 months)	2,800.
C. Transit-Ad Cards (1,500)	800.
D. Inserts (500,000) @ \$3.00 M	1,500.
E. Minimum miscellaneous	
Public Relations Expense	1,000.
F. Postage and minimum	
Credit Bureau Expense	500.
TOTAL BUDGET	\$9,100.

SUGGESTIONS FOR RAISING FUNDS

Department Stores (\$500.00 each)	\$2,500.
Banks	2,500.
Consumer Loan Companies	1,000.
Miscellaneous Credit Bureau members	2,000.
TOTAL	\$8,000.

Transit-Ad Contest Rules

PURPOSE:

To obtain the best professional suggestion for another transit ad in approximately 1,100 street cars during 1959. This ad to be placed in street cars with newspaper publicity about April 1 to inaugurate National Retail Credit Week, April 19-25, 1959.

OBJECTIVE OF TRANSIT AD:

A. Impress upon the public or credit customer, that a prompt credit record keeps them open-to-buy their requirements—i.e., purchase merchandise, personal loans, automobiles, etc.

No limitation in copy or color except that imposed on size of card which is 11" x 14". Entries limited to employees of Advertising Departments of members of the Philadelphia Credit Bureau.

PRIZES:

B. Words similar to those on the insert attached:

LIMITATION OF TRANSIT AD:

Prizes may be won by one person or by several collaborators in the same organization.

First Prize	\$100.00
Second Prize	\$ 50.00
Third Prize	\$ 25.00

CONTEST DATES:

Starting upon receipt of this notice and closing midnight—December 31, 1958.

The Book Shelf

Credit Management Handbook (Richard D. Irwin, Inc., Homewood, Illinois, 800 pages, \$12.00.) This practical handbook combines theory and practice in presenting the vital principles of credit management as well as the everyday experience of active credit managers. For the student and the businessman alike, it provides an invaluable source of information on every phase of credit activity. More than one hundred contributors, each one a specialist in his field, are represented. The entire volume has been prepared and edited by the Credit Research Foundation which is responsible for the educational and research activities of the National Association of Credit Management. It is authoritative in every respect. All essential aspects of commercial management are covered. The Handbook is designed as a reference and guide for all those who supervise, administer, or conduct the credit function of business. It is the most complete publication ever undertaken in the area of credit and financial management.



Reading List on Business Administration (Amos Tuck School of Business Administration, Dartmouth College, Hanover, New Hampshire, 68 pages, \$2.00.) The seventh revision of this booklet shows where you can locate immediately any information you may want about any phase of business administration. It lists, briefly describes and evaluates 733 books, periodicals and other sources of enlightenment in 59 subdivisions of 12 areas of business administration.



Bank Credits and Acceptances (The Ronald Press Company, 15 East 26th Street, New York 10, New York, 258 pages, \$7.00.) This book, by Wilbert Ward and Henry Harfield, a standard volume in successive edition for almost four decades, is addressed to businessmen, bankers, and lawyers concerned with international and domestic trade. This thoroughly revised edition continues to emphasize the fundamentals of sight and acceptance credits, with the addition of much recent material. Forms for substantially all phases of commercial credit transactions are illustrated and explained, and the current international commercial credit rules are set forth in full with a commentary on their interpretations and applications. The material on acceptance financing provides a comprehensive and authoritative description of this important aspect of trade financing.



The Whole Story of American Bank Checks (Cummins-Chicago Corporation, 4740 North Ravenswood Avenue, Chicago 40, Illinois, 62 pages, free.) In the late afternoon of April 13, 1865, a matter of hours before he was assassinated, Abraham Lincoln cashed a check drawn on his personal account at his bank. This historic document is just one of the many interesting illustrations in this new booklet written by Lester A. Pratt, the noted auditor, C.P.A. and writer. He traces the methods used by American banks to process checks, beginning with the first chartered United States bank in 1782 and continuing down to the present day.

This Book Tells You How to Collect Your Accounts Faster and Easier

RETAIL COLLECTION PROCEDURE and EFFECTIVE COLLECTION LETTERS

SIX CHAPTERS

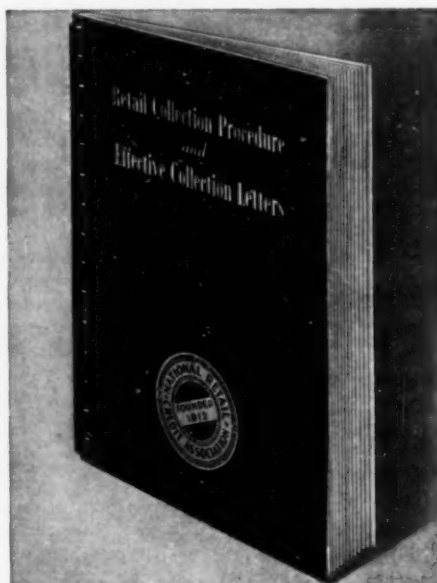
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Chapter 3—The Personal Phase

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**Training Manual for New Collection Department Personnel and
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This book has been published in response to many demands for a practical handbook of approved collection methods, procedures and letters. The methods described and the letters illustrated are adaptable to any kind of business and both small and large organizations. Prompt payment of accounts is vital to the success of firms extending credit. The tested methods set forth in the book will insure improved collections without loss of customer good will.

PRICE \$2.00 POSTPAID

MAIL THIS COUPON TODAY

NATIONAL RETAIL CREDIT ASSOCIATION
375 Jackson Avenue, St. Louis 5, Missouri

Please send me copies of *Retail Collection Procedure and Effective Collection Letters*.

Name Address

City Zone State

Check enclosed Mail me a bill

Credit and Collection Controls For Small Marketers

DR. CLYDE WILLIAM PHELPS

Professor of Economics, University of Southern California
Los Angeles, California

STATISTICAL RECORDS, or control devices, for credit and collections are easily derived from conventional books of account. They are valuable in a half dozen important ways:

First, the periodic calculation of ratios, percentages, and other figures is necessary to measure credit and collection results. Unless this is done, you have no way of knowing just what has been accomplished and what changes have occurred in each of the various aspects of your firm's credit business.

Second, keeping these statistical records makes it possible to set up standards or goals to shoot at in each phase of your credit and collection activity. Without standards, you have no basis for judging accomplishments. Also, an important stimulus to efficiency will be lacking.

Third, the accumulation of records kept on the same basis from year to year enables you to compare current credit and collection performance with that of previous periods, and to determine the progress made. Credit-sales volume for the current month, for instance, may be compared with the figure for the same month last year, or the preceding month this year, to see whether there has been an increase or decrease.

Fourth, if your firm's credit business is large enough to require the time of more than one person, comparisons often may be made between different individuals. You can calculate separate collection percentages for each person having responsibility for a given section of the accounts. Separate rejection percentages may be computed wherever two or more persons are engaged in granting credit.

Fifth, you may compare results shown by your figures with those reported by other firms. Data for such comparisons are published by the National Retail Credit Association, the Credit Management Division of the National Retail Merchants Association, and many national trade associations in many specific lines of business, as well as by the Board of Governors of the Federal Reserve System.

Sixth, the records you maintain may be used in forecasting future trends in credit sales volume, collections, and other aspects of your credit business. These forecasts can be very helpful in revisions of your general budget, and they often suggest changes in your credit and collection policies.

A Common-Sense Approach

A business firm may use a great variety of measures for controlling credit and collection efficiency. However, as a matter of common sense, *only a dozen* of these are generally regarded by successful small business managers as being of major importance. It is convenient to group these statistical controls under the functions of credit management to which they are most closely related; that is, credits or collections. It should be understood, of course, that a given ratio or percentage often reflects something other than just the degree of efficiency in either credit granting or collection.

For example, an unduly low collection percentage may actually reflect inefficiency in *credit granting* (too many accounts being opened for buyers who, with

proper investigation, would have been found unable and/or unwilling to pay as agreed). Or it may result from lack of proper and prompt follow-through in connection with accounts receivable. Then again, it may reflect the effects of depressed business conditions on a firm in which both credit granting and collections are being conducted at top efficiency. Collection percentages and the other indexes to be examined, however, do show actual results and afford measures by which performance may be judge and control exercised.

Credit Control Indexes

Perhaps the best known indexes used in measuring the effectiveness of credit granting are the rejection percentage and the percentage of change in credit-sales volume. Along with the rejection percentage, you may keep figures on the number of accounts added, the number closed, and the net gain or loss in number of accounts. In addition to the change in credit-sales volume, you can follow such closely related indexes as the ratio of credit sales to total sales volume, the change in the amount of accounts receivable outstanding, the ratio of inactive accounts to total accounts, and the turnover of customers.

1. Rejection Percentage. The rejection percentage is computed by dividing the number of applications for credit declined (for lack of proper requirements or for other reasons) by the total number of applications received. Thus, if 150 applications or first orders are received during a given period and 15 are declined, the rejection percentage would be .10 or 10 per cent.

If you discover that your rejection percentage is becoming extremely high, you may rightly inquire whether your credit-granting policy is so strict that it is preventing you from enjoying a much greater sales volume. If the percentage seems to be getting excessively low, you should check to see whether this is causing abnormal collection expenses and bad-debt losses.

2. Trend in Number of Accounts. You should be interested also in the actual number of applications accepted and the net increase or decrease in the number of accounts on your books. In progressive firms, figures are calculated monthly (and often daily) for the number of new accounts added, the number of accounts closed, and the net gain or loss in number of accounts.

These three figures may be expressed also as percentages of the number of accounts on your books at the beginning of a period. The figures or percentages may be compared with those for the previous period and also with those for the same period in the previous year.

3. Change in Credit Sales Volume. Of perhaps even greater interest are measures of increase or decrease in credit sales volume. To show the percentage of change in your credit sales from one period to another, divide the difference between the figures for the two periods by the amount of credit sales for the less recent period. Mark the result with a minus sign in front if the difference represents a decrease in sales.

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For example, if your credit sales were \$10,000 for last month and \$12,500 for the preceding month, divide the difference (\$2,500) by the sales for the less recent period (\$12,500), giving a percentage of .20 or -20 per cent. The minus sign shows that the difference represents a decrease in credit sales.

4. Ratio of Credit Sales Volume to Total Sales. To find this ratio, divide the figure representing the sales made on credit by total sales for the month, or other period. Thus, if your total sales for the past month were \$6,200 and \$3,410 of this volume was made on credit terms, divide the credit sales of \$3,410 by the total sales figure of \$6,200, yielding .55 or 55 per cent.

Your ratio of credit sales to total sales may change with seasonal conditions during the year, or in response to the introduction of new credit plans, different policies, or because of other factors. In short, do not arbitrarily assume that a decline in the ratio is always due to inefficiency in credit granting. By the same token, a rise in the ratio may not always result from credit-sales-promotion efforts alone.

5. Change in Accounts Receivable Outstanding. Important, and closely connected with indexes of changes in your firm's credit sales volume, are measures of your accounts receivable outstanding. In progressive firms, the amount of accounts receivable outstanding (the total amount of money owed to the firm by its customers) is calculated daily. The increase or decrease from the preceding period, or from the same period of the preceding year, is then expressed in percentages.

The dollar figures obtained in these calculations disclose a very important fact; namely, the extent to which your money is tied up in financing customers. Comparative percentage figures reveal the trend.

To find the percentage change in your receivables from one period to another, divide the difference between the amounts outstanding in the two periods by the amount outstanding in the less recent period. For example, if your accounts receivable outstanding amounted to \$10,000 at the end of last month and are \$12,000 at the end of this month, divide the difference of \$2,000 by the outstandings for the less recent period (\$10,000), giving a percentage figure of .20 or 20 per cent.

6. Ratio of Inactive Accounts to Total Accounts. You will find that monthly figures on the number of accounts becoming inactive are important in controlling the correct and full use of accounts. These figures help in maintaining and increasing credit-sales volume.

You find the percentage of inactivity—that is, the proportion of customers not buying on their accounts during the month—by dividing the number of accounts not making any purchases during the month by the total number of accounts on the books at the beginning of the month.

7. Ratio of Turnover of Customers. This ratio expresses the proportion of customers you lost during a given period, usually a year. To obtain this figure, divide the number of accounts removed from your books during the year by the total number of accounts on your books at the beginning of the year.

Changes in this turnover ratio indicate the degree to which you are succeeding or failing in your efforts to keep customers after you have once placed them on your books.

Collection Control Indexes

The statistical records of most importance in administering the collection function are collection percentages, changes in volume of collections, delinquency percentages, age analysis, and bad-debt loss percentages.

8. Collection Percentage. The usual method of calculating collection percentages on open accounts is to

divide the amount collected from accounts receivable during a month by the amount of accounts receivable outstanding on the first of that month.

In the case of instalment accounts, there is only one method of calculating collection percentages so as to indicate your collection efficiency correctly. Divide the collections made during a month from your instalment accounts by the portion of those accounts which is due and outstanding on the first of the month (including past-due amounts).

You can also convert collection percentages to express the turnover of accounts receivable; that is, the average number of days taken by customers to pay their bills in full. Collection percentages are calculated for one month, or 30 days. Therefore, 30 divided by the collection percentage and multiplied by 100 will give the average number of days taken by accounts to pay out in full.

For example, if your collection percentage is 50, dividing 30 by 50 gives .6. Multiplying .6 by 100 yields 60 days as the average length of time your customers take to pay up their accounts.

9. Changes in Volume of Collections. Not to be confused with the collection percentage discussed above is the percentage of change in the dollar volume of collections. You obtain the latter by dividing the difference between the amounts collected in two different months (or other periods) by the amount you collected during the less recent period.

This percentage is useful when you compare it with percentages showing the increase or decrease in credit sales. It indicates how your dollar volume of collections is moving in relation to changes in your credit-sales volume.

10. Delinquency Percentage. You will find it extremely helpful to know what proportion of your receivables is past due—or delinquent—and whether the delinquent portion is increasing or decreasing.

The number of accounts which are delinquent as well as the dollar volume of delinquent balances, is recorded monthly or less often. You figure the delinquency percentage for number of accounts by dividing the number of accounts having delinquent balances by the total number of accounts. The delinquency percentage for dollar volume is derived by dividing the amount of the delinquent balances by the total amount of receivables outstanding.

11. Age of Receivables. For good control you ought to know what proportion of your total receivables is one month past due, two months behind, and so on. Then, for example, if a delinquency of three months or more appears, you know that extra collection efforts should be given to that account. You get this valuable information from an age analysis. It is done in three steps.

First, decide how far back you wish to carry the aging. You might, for example, determine to make your age analysis of outstanding balances cover four ranges: one month, two months, three months, and over three months.

Second, establish your starting point on the account to be aged. To do this, add the cash payments made by the customer back to a point where the account will balance. If it does not balance (as is the case where the customer just pays "on account"), add the cash payments made during the three months. Then subtract this total from the balance owed by the customer at the end of the fourth month.

Third, calculate the net balances for each of the other months. Do this by deducting the credits (for returns

(Turn to "Small Marketers," page 31.)

Harold A. Wallace

August 22, 1902

November 6, 1958



THE CREDIT fraternity mourns the loss of one of its outstanding members, Harold A. Wallace, whose sudden passing was a shock to his myriad of friends in North America.

Harold was the first President of the Associated Credit Bureaus of Illinois; he served as President of the Associated Credit Bureaus of America in 1939-1940; and was elected executive head of that organization in May 1944.

He was justly proud of the recently completed addition to the headquarters building at 7000 Chippewa Street, St. Louis, giving the association much needed space and contributing to the beauty of the building. It is a fitting monument to his memory and a tribute to his splendid leadership in the development of credit bureaus and collection offices and through them the rendering of excellent service to retailers.

Always keenly interested in the success of the National Retail Credit Association he was most cooperative in its educational and membership activities.

Harold contributed generously and enthusiastically of his time in the interest of retail credit, as well as credit reporting, and his constructive influence in his chosen field of endeavor will be missed by credit granters and credit bureau and collection service managers.

Just a week before his death it was my pleasure to have lunch with Harold and John Spafford, Assistant Manager of ACBoFA. Among other things Harold mentioned a project in which he was vitally interested—a management library for the use of members of the Associated Credit Bureaus of America. He stated that space had been provided for housing the books and periodicals in the National Headquarters and a program was under consideration for raising the necessary funds. It would be most timely and a well deserved tribute to designate the library as the Harold A. Wallace Memorial Library.

Surviving are his wife, the former Mildred Brown, two daughters, Mrs. James Piet of Greenville, North Carolina, and Mrs. Richard Straub of Richmond Heights, Missouri, one grandson, Steven Piet, and three brothers.

To Mrs. Wallace, his daughters, and other members of the family we extend our sincere sympathy on behalf of the officers, directors, members of the National Retail Credit Association and the National Office staff.

L. Shouder

CREDIT FLASHES

—For Sale—

Credit Bureau located in the Midwest, 26 years old. Low overhead. Population 38,000, trade area 200,000. Owner retiring from credit reporting only. Box 12581, The CREDIT WORLD.

L. C. Sterling Rejoins Staff

Lyle C. Sterling has recently rejoined the staff of Johnson-Pontiac, Colorado Springs, Colorado, a long time member of the Retail Credit Association of Colorado Springs and the National Retail Credit Association. Mr. Sterling is Treasurer as well as Credit Manager of the firm and active in retail credit circles in Colorado Springs.

Testimonial Dinner for Al Koelling

On October 29, 1958, the Associated Retail Credit Granters of Cincinnati, Ohio, and the credit executives of Cincinnati gave Allison P. Koelling, Executive Vice President of the Credit Bureau of Cincinnati a testimonial dinner for a job well done. Winston Clark of the John Shillito Company recalled some of Al's accomplishments since coming to Cincinnati in 1946. He pointed out that he has developed a credit bureau that is the envy of credit granters throughout the United States and called attention to the endless hours he has worked in reorganizing the Association Retail Credit Granters of Cincinnati and how he has been their permanent secretary for over ten years. Today the credit bureau occupies two floors with 11,500 square feet of space compared with 3,500 square feet occupied when they moved into their present quarters.

In 1958 Al was elected to the Board of Directors of the Rotary Club and has been quite active in that organization as well as holding the office of President of the Pirates' Table of the Cincinnati Club. He is also a member of the American Society of Association Executives.

The picture below shows Al being presented with a portable transistor radio. Left to right are: Winston Clark; Earl Frye, Credit Manager, Getz Jewelers, President, Associated Retail Credit Granters of Cincinnati and Director, District Five, N.R.C.A.; and Allison P. Koelling.



Coming District Meetings

District Two (New York and New Jersey) and **District Twelve** (Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia) will hold a joint annual meeting at the Greenbrier Hotel, White Sulphur Springs, West Virginia, February 14, 15, 16, and 17, 1959.

District Three (Florida, Georgia, North Carolina, and South Carolina) and **District Four** (Alabama, Louisiana, Mississippi, and Tennessee) will hold a joint annual meeting at the Dinkler-Plaza Hotel, Atlanta, Georgia, April 19, 20, 21, and 22, 1959.

District Five (Kentucky, Michigan, Ohio, Ontario, Canada, Illinois, Indiana, and Wisconsin, except Superior) will hold its annual meeting at the Netherland Plaza Hotel, Cincinnati, Ohio, February 8, 9, and 10, 1959.

District Six (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Superior, Wisconsin, and Manitoba, Canada) will hold its annual meeting at the Radisson Hotel, Minneapolis, Minnesota, April 12, 13, and 14, 1959.

District Seven (Arkansas, Kansas, Missouri, and Oklahoma) will hold its annual meeting at the Mayo Hotel, Tulsa, Oklahoma, March 13, 14, and 15, 1959.

District Eight (Texas) will hold its annual meeting in conjunction with the 45th Annual International Consumer Credit Conference, Dallas, Texas, June 21, 22, 23, 24, and 25, 1959.

District Nine (Colorado, New Mexico, Utah and Wyoming) will hold its annual meeting at the Hotel Utah, Salt Lake City, Utah, May 17, 18, and 19, 1959.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Provinces of Alberta, British Columbia, and Saskatchewan, Canada) will hold its annual meeting at the Winthrop Hotel, Tacoma, Washington, May 16, 17, 18, and 19, 1959.

District Eleven (Arizona, California, Nevada, and Hawaii) will hold its annual meeting at the Senator Hotel, Sacramento, California, February 15, 16, and 17, 1959.

E. B. Moran Succeeds Henry H. Heimann

Edwin B. Moran, acting executive manager since the death of Henry H. Heimann, has been appointed executive vice president of the National Association of Credit Management, by unanimous action of the association's executive committee. Mr. Moran is also vice president of the Credit Research Foundation, director of NACM sales, promotion and advertising, and general manager of CREDIT and FINANCIAL MANAGEMENT, the association's monthly publication.

After two years as First Lieutenant in World War I, he helped organize the Credit Interchange system of the National Association. He is past president of the Rotary Clubs of Chicago and New York and from 1940 to 1955 he was a member of the advisory committee of the College of Commerce and Business Administration of the University of Illinois and he is currently on the advisory board of the School of Business Administration of Pace College.

The National Retail Credit Association wishes Mr. Moran continued success on his new appointment as executive head of the organization.

Open House at Los Angeles

On November 7, 1958, the Retail Merchants Credit Association, Los Angeles, California, held an open house celebrating the opening of their new offices at Suite 100, Subway Terminal Building, 417 South Hill Street, Los Angeles. They were formerly on the second floor of the same building and now occupy 20,000 square feet of floor space. A merchant owned organization they now employ between 240 and 275 people. It has been in business since 1910. In addition to their regular credit bureau services, they maintain a collection department and a Medical-Dental Credit Bureau. Over 3,000 members use the services of the Credit Association. W. D. Conel is Manager. He took the position after 25 years with the Security First National Bank. James W. Scott is assistant general manager who started with the organization 25 years ago.

Boston Credit Men Pass Resolution

The following Resolutions were unanimously adopted by the Retail Credit Association of Greater Boston, at its regular monthly meeting, October 21, 1958.

"WHEREAS, the *Christian Science Monitor* will observe the 50th anniversary of its publication on November 25, 1958; and

"WHEREAS, this Association and the *Monitor* has, for many years, worked closely together in the credit field to our mutual satisfaction and benefit; and

"WHEREAS, many close personal ties have developed from our many friendly and cordial relations; and

"WHEREAS, we gratefully recognize and acknowledge the beneficial impact that the *Monitor*, by reason of its integrity, objectivity, and freedom from bias has had, not only in our own community, but throughout both the nation and the world;

"WHEREAS, our Association has always taken a great personal pride in the journalistic achievements, national and international, of the *Monitor*; therefore be it

"Resolved that the Retail Credit Association of Greater Boston extend its congratulations to the publishers of the *Christian Science Monitor* on its 50th anniversary of publication and expresses its sincere hope for the *Monitor's* continued service to Boston, the Commonwealth, the nation, and the world, for many, many years to come; and be it further

"Resolved, that a copy of these resolutions be transmitted to the publishers of the *Christian Science Monitor* by the Secretary of the Retail Credit Association of Greater Boston."

Consumer Credit for September

CONSUMER INSTALMENT credit declined \$60 million during September after allowance for seasonal factors. Extensions of instalment credit, which had risen in August, decreased to about \$3,340 million. Repayments continued at a rate of about \$3,400 million a month. The decline in credit extensions resulted primarily from a decrease in extensions of auto instalment credit which accompanied the low level of auto sales during the model change-over period. Outstanding auto paper declined \$167 million. All other types of instalment credit outstanding increased during the month. Outstanding noninstalment credit increased \$70 million during the month on a seasonally adjusted basis. Most of the increase was accounted for by single payment loans and charge accounts. The increases in noninstalment credit offset the decline in instalment credit, and total consumer credit increased slightly from the August level.—Federal Reserve Board.

John L. Spafford Elected

John L. Spafford has been elected executive vice president of the Associated Credit Bureaus of America, succeeding Harold A. Wallace, who died November 6, 1958. Otto H. Lanfersieck, secretary, was elected to the position of secretary-treasurer.

Prior to his election, Mr. Spafford served as assistant general manager and assistant treasurer. He joined the association's executive staff in 1946 as manager of the Collection Service Division. In 1951 he was made assistant general manager, and in 1956 he was elected to the office of assistant treasurer.

A graduate of Washington University, St. Louis, he is a member of the St. Louis Society of Association Executives, American Society of Association Executives, Greenbriar Country Club, and the Rotary Club of Kirkwood. He is married to the former Mary Ellen McKaig. They live in St. Louis County with their two children.

Otto Lanfersieck joined the staff of the Associated Credit Bureaus of America in 1934. He formerly served as general bookkeeper for the First National Bank in St. Louis from 1923 to 1932. Before being elected secretary in 1948, he served the association as accounting clerk, controller, office manager, and personnel director.

He is a member of the St. Louis Society of Association Executives, American Society of Association Executives, Rotary Club of Webster Groves, Moolah Shrine Temple, and the Missouri Athletic Club. He resides at 5712 Bancroft, St. Louis, with his wife, Juanita. They have one daughter and two grandchildren.

The National Retail Credit Association congratulates Mr. Spafford and Mr. Lanfersieck on their appointments and wishes them many years of success in their new positions.

Reprints Available

Reprints of the analysis of Chapter XIII of the National Bankruptcy Act which appeared on pages 19-23 of the November 1958 issue of *THE CREDIT WORLD* are now available. A copy of Chapter XIII is included in the eight-page reprint. Order from the National Office. Price is five cents per copy.

Annual Membership Drive Postponed

On page 21 of the September 1958 issue of *THE CREDIT WORLD* we announced that the President's Third Annual Membership Drive would be held September 15, 1958 to November 15, 1958. Since many of our local membership committees were late in getting started, the drive has been postponed until February 15, 1959 to April 15, 1959. All new members reported between September 15, 1958 and November 15, 1958 will be included.

Wanted to Buy

Established credit and collection department, located in New England with a population of 40,000 or more. Would consider buying part of bureau as partner in larger city. Box 12582, *THE CREDIT WORLD*.

Charles E. Waggoner

Charles E. Waggoner, 69, died October 19, 1958, in Wichita, Kansas. Born in Eaton, Ohio, September 15, 1889, he came to Wichita from Stilwell, Oklahoma and managed the Credit Bureau of Wichita from its inception in 1925 until his retirement in 1946. A member of the First Presbyterian Church, he was also active in the Masonic Lodge and Midian Shrine.

CREDIT DEPARTMENT

Letters

LEONARD BERRY

THE MODERN manager of credit sales is primarily interested in finding ways to win new credit customers, to increase sales and prevent the deadly decay of inactivity. He knows that one credit customer is worth four cash customers. He knows that customers buy more often and in larger amounts in the stores where their credit is established and where they are "open to buy."

Here is a ten-point program for the manager of credit sales to follow for achieving his greatest effectiveness as a creative producer of sales:

1. Plan a complete promotion program now for 1959. Set a goal stating the planned increase in credit sales. Decide the best approach to the fulfillment of this objective. Ask for a money budget of one per cent on annual credit sales to be spent exclusively for credit sales promotion. Have a *personal time budget* of one-half of business hours devoted to credit sales promotion. Put the plan in writing and submit it to the management.

2. Decide the best credit plans for the particular store. What works very well for one might fail dismally in another. Each store has special problems of merchandising, clientele, capital available, etc. Remember the saying: "If you would sell John Smith what John Smith buys, then you must see John Smith, through John Smith's eyes." Credit plans must be merchandised to meet the special requirements of the particular store's customers.

3. Improve, brighten, redecorate and, if necessary, relocate, credit offices so they become as attractive as the most pleasing section of the selling floors. Sales are made in the credit office and sales can be lost in the credit office. The decor and general appearance of the office will have much to do with the outcome.

4. Select the best possible personnel. They should be gracious, service-minded and public relations-conscious. Each person should be inspired by the credit executive to regard his or her work as part of strengthening good will. The basic *self-evaluating* question should be asked constantly, "Will what I am doing or saying make and hold friends for this store?"

5. Publicize in every way possible the extra services available. Encourage customers to come in for help in budget planning and credit counselling. While this may be considered time-consuming, it is far better to have customers feel free to bring financial problems where they know they can obtain competent advice, than to allow relatively mild collection situations to become critical.

6. Make generous and speedy adjustments. This point was developed on page 26, October 1958 CREDIT WORLD. Customers deserve consideration, kindness and flexibility. The manager of credit sales should be the final authority on any merchandise complaint from a credit customer. He is the best, and often the only, person in the store to have a true idea of the customer's value.

7. Provide facilities for rapid and efficient authorization. Few things are more annoying and embarrassing than slow authorization of "charge-take" purchases. Too-

low credit limits and unrealistic floor release limits, are frequent causes for prolonged authorization delays.

8. Insist on prompt and accurate billing of accounts. The gap between the closing date on a billing cycle and the day the bill is mailed to the customer should be narrowed as closely as possible. With "end-of-month" billing every effort should be made to get the bill in the customer's hands immediately. The bill which gets there first, and which is accurate and clear in every detail, stands the best chance of being paid first.

9. Since probably most credit sales promotion will be by letter, such letters should sparkle with originality and interest. Just as the photographer places his subject in the best possible light and as the actor turns his better profile to the audience, so the credit sales letter writer should study the most effective way of making his credit sales presentation. Dare to be different!

10. Be sure to go after those big markets, newcomers to the community and young people. Those markets are fertile and lucrative. Too often they are completely ignored.

Credit sales promotion should be a steady, consistent, and purposeful activity. With such a planned program, implemented by powerfully persuasive sales letters, the manager of credit sales can do much to make the 1959 profit figure more robust and healthy.

This Month's Illustrations

Illustration No. 1. Here we show two printed collection notices used by Western Auto Supply Company, Canton, Ohio. These handy forms combine the reminder with a return postage-prepaid envelope. Inexpensive and easily filled-in, these forms are admirable for early stage collection follow-up. Their ease and convenience have a strong appeal to the debtor.

Illustration No. 2. A collection letter used by Stern and Mann, Canton, Ohio. This is a delicate way of telling the debtor that further charge purchases will not be authorized while the account remains unpaid. Also, the tie-in with the fact that the firm is losing business at the same time, takes some of the sting out of the temporary closing of the account.

Illustration No. 3. As a change of pace from collection notices, here is a credit sales promotion letter used by Thurin's, Canton, Ohio. Instalment and budget accounts which are being paid-out as agreed offer a valuable opportunity for additional credit sales suggestions. The invitation to add new purchases to the existing contract, without any formality or increase in the amount of monthly payments, has an enticing sound to the customer.

Illustration No. 4. Here we show three collection notices used by the R & J Furniture Company, Canton, Ohio. As with the "envelope" type of collection reminder, these printed notices, requiring merely fill-in of customer's name and address, offer advantages in shortcuts and simplification of operation.

DELINQUENT NOTICE

We wrote you recently calling your attention to your past due account.
We had hoped that this previous reminder would be sufficient, but we have not had a response.
Prompt payment or definite arrangement is earnestly requested.

Very truly yours,
WESTERN AUTO SUPPLY COMPANY



That a payment is overdue on your account. Will you please arrange to make payment now or call at our office to discuss it.

Thank you,
WESTERN AUTO SUPPLY COMPANY

The Stern & Mann Co.

CLEVELAND AND NORTH - CANTON 2, OHIO

August 21, 1958

Mrs. John Doe
1111 12th St. N.W.
Canton 3, Ohio

Dear Mrs. Doe:

Your account showing an unpaid balance of \$101.29 is considerably past due.

Because of this fact, you are being deprived of charging your selections, and we are sustaining the loss of your business. There is, therefore, an obvious reason for our mutual concern.

May we ask you co-operation in arranging a settlement for the balance due within the next five days?

Cordially,
THE STERN AND MANN COMPANY
Ray P. Mann
Ray P. Mann
Credit Manager

THURIN'S



Furnishing - Draperies - Flame Coverings
THURIN'S BROS. CO.
100 MAIN STREET S. CANTON, OHIO

Mr. John Customer
900 Main Street S.
Canton, Ohio

Dear Mr. Customer:

We appreciate the very satisfactory manner in which you are paying on your Thurin Budget Account.

Spring always brings housecleaning and renovating and that means new furnishings to brighten your home for the Summer season. We of Thurin's will be most happy to help you choose appropriate things.

We want you to know that these purchases may be added to your Budget Account with little or no change in your present payments, depending on the amount of the purchase.

This Spring, in our 80th Anniversary Celebration, our selections are greater, better than ever. Many outstanding special offerings are the result of special Anniversary cooperation with our quality makers.

Come in, we promise you a most interesting visit whether you come to buy or to browse for new ideas.

Most cordially yours,

THURIN CREDIT AND BUDGET DEPT.

Paul F. Wright
Paul F. Wright
Manager, Credit Sales

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Dear Customer:

We thought you would like to be reminded that a payment of _____ was due on _____

If your remittance is already on the way, please disregard this friendly notice and accept our thanks for your payment.

Cordially yours,
THE R & J FURNITURE CO.
Bookkeeping Department

Would you please call our Credit Department upon receipt of this notice. Our phone number is GL 3-0165.

Very truly yours,
THE R & J FURNITURE COMPANY
Canton, Ohio

Acct. No. _____

Dear Customer:

Our Auditing Department has notified this Office that your account is past due, according to the terms of your contract and note.

It will, therefore, be necessary that you come in to see the writer at once.

Very truly yours,
THE R & J FURNITURE CO.
By _____

Acct. No. _____



Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

Consumer Credit Controls—The continued threat of inflation, rather than sudden national emergency such as war, appears to be the primary cause of renewed talk as to consumer credit as well as other controls. (The CREDIT WORLD, November 1958, p. 28.) Another bill, S. 4289, introduced by Senator Bush (R. Conn.) in the last days of the 85th Congress would authorize the Board of Governors of the Federal Reserve System to exercise consumer credit controls and to make such rules and regulations as the Board may deem appropriate. In a speech on the floor of the Senate, Senator Bush explained that the advisability of consumer credit controls should be considered by the 86th Congress to meet the dangerous inflationary situation which we face. He stated he hoped that the Senate Committee on Banking and Currency would submit its recommendations promptly after the 86th Congress convenes.

Debt Pooling v. Chapter XIII—An Analysis of the Illinois Debt Pooling Act—In 1957 Illinois passed a debt pooling act, the legislative history of which parallels the District of Columbia proposal which passed the House but died in the Senate in the final days of the 85th Congress. (The CREDIT WORLD, October 1958, p. 28.) Both bills started off as measures to outlaw debt pooling, with criminal sanctions for violation, but ended up as regulatory measures. But while the District of Columbia measure died in Senate committee, the Illinois proposal ended up the the "Financial Planning and Management Service Act of 1957."

George R. Kennedy, Referee in Bankruptcy, United States District Court, Southern District of Illinois, has written an article comparing the Illinois statute with Chapter XIII (wage earners' provisions) of the Bankruptcy Act, which was originally published in the *Illinois Bar Journal* for June 1958, and reprinted in the *Journal of the National Association of Referees in Bankruptcy* for October 1958.

On every essential count—supervision, cost, the acceptance of the plan by creditors, the enforcement of the plan, etc.—it appears that the wage-earner-plan system is far superior.

On the question of enforcement Referee Kennedy observed: "Outweighing all other features which distinguish the 'wage-earner plans' from the 'debt-pooling agreements' is that one has the power to make the plan work, and the other does not have such power."

Referee Kennedy concluded his article with the remark that, "The federal 'wage-earner plan' represents sound social legislation and, if properly utilized, may represent a partial answer both to the bankruptcy problem . . . and to the problem of financial despair which is plaguing so many of our wage earners today. If the Financial Planning and Management Service Act can perform a comparable service, or supplement in any important degree the service heretofore being rendered

by the 'wage-earner plan' it will be a good law; but at this stage the chance of it doing either does not appear too hopeful."

The "Petition for Review" in Bankruptcy—The relative simplicity, inexpensiveness and speed with which an appeal to the district judge may be taken and determined from a final order of the referee in a bankruptcy case is sometimes overlooked by a dissatisfied creditor where, for instance, the referee has ruled against the creditor's contention that the particular debt is non-dischargeable because of fraud. In such a case the appeal procedure may be resorted to and the question presented to the district judge.

The Bankruptcy Act provides: "A person aggrieved by an order of a referee may, within ten days after the entry thereof, or within such extended time as the court may for cause shown allow, file with the referee a petition for review of such order by a judge and serve a copy of such petition upon the adverse parties who were represented at the hearing. Such petition shall set forth the order complained of and the alleged errors in respect thereto. Upon application of any party in interest, the execution or enforcement of the order complained of may be suspended by the court upon such terms as will protect the rights of all parties in interest." 11 USCA 67 (c).

The Act further provides that referees shall "prepare promptly and transmit to the clerks certificates on petitions for review of orders made by them. . . ." 11 USCA 67 (a) (8); (emphasis added).

The fee for filing the petition for review, as prescribed by the Director of the Administrative Office of the United States Courts under authority conferred on him by the Act, is only \$10.00, it being transmitted to the Treasury of the United States for deposit in the referees' expense fund.

As indicated by the above language the petition for review is governed by the broad directive, namely, that it "shall set forth the order complained of and the alleged errors in respect thereto." Such errors may relate to questions of law or fact, and may be briefly and simply set forth. The referee is directed to act "promptly" in certifying the petition for review to the district judge.

Steady Increase in Bankruptcy Filings—The figures for the first quarter of fiscal 1959 (July 1 through September 30, 1958) show that the number of bankruptcy filings has continued to rise, as indicated by the following comparisons. Total filings in the first quarter of fiscal 1957 (July 1 through September 30, 1956) were 16,160. In the same quarter of fiscal 1958, filings were up to a total of 20,264, representing a numerical increase of 4,104 cases and a percentage increase of 25.4. In the same quarter of fiscal 1959 the total filings were 24,408, up numerically by 4,144 cases or 20.5 per cent. ★★★

Monthly CREDIT STATISTICS



CONSUMER CREDIT, BY MAJOR PARTS

[Estimated amounts of short- and intermediate-term credit outstanding, in millions of dollars]

End of year or month	Total	Instalment credit					Noninstalment credit			
		Total	Auto- mobile paper ¹	Other consumer goods paper ¹	Repair and mod- ernization loans ²	Personal loans	Total	Single- payment loans	Charge accounts	Service credit
1939.....	7,222	4,503	1,497	1,620	298	1,088	2,719	787	1,414	518
1941.....	9,172	6,085	2,458	1,929	376	1,322	3,087	845	1,645	597
1945.....	5,665	2,462	455	816	182	1,009	3,203	746	1,612	845
1949.....	17,305	11,590	4,555	3,706	898	2,431	5,715	1,532	2,795	1,388
1950.....	21,395	14,703	6,074	4,799	1,016	2,814	6,692	1,821	3,291	1,580
1951.....	22,617	15,294	5,972	4,880	1,085	3,357	7,323	1,934	3,605	1,784
1952.....	27,401	19,403	7,733	6,174	1,385	4,111	7,998	2,120	4,011	1,867
1953.....	31,243	23,005	9,835	6,779	1,610	4,781	8,238	2,187	4,124	1,927
1954.....	32,292	23,568	9,809	6,751	1,616	5,392	8,724	2,408	4,308	2,008
1955.....	38,670	28,958	13,472	7,634	1,689	6,163	9,712	3,002	4,579	2,131
1956.....	42,097	31,827	14,459	8,510	1,895	6,963	10,270	3,253	4,735	2,282
1957.....	44,776	34,105	15,496	8,687	1,984	7,938	10,671	3,502	4,760	2,409
1957—Aug.....	43,101	33,303	15,490	8,229	1,954	7,630	9,798	3,458	3,925	2,415
Sept.....	43,270	33,415	15,556	8,228	1,969	7,662	9,855	3,493	3,942	2,420
Oct.....	43,274	33,504	15,579	8,236	1,988	7,701	9,770	3,405	3,991	2,374
Nov.....	43,530	33,596	15,542	8,300	1,996	7,758	9,934	3,458	4,135	2,341
Dec.....	44,776	34,105	15,496	8,687	1,984	7,938	10,671	3,502	4,760	2,409
1958—Jan.....	43,966	33,737	15,326	8,499	1,963	7,949	10,229	3,514	4,264	2,451
Feb.....	43,043	33,302	15,122	8,277	1,936	7,967	9,741	3,542	3,710	2,489
Mar.....	42,562	32,983	14,889	8,192	1,915	7,987	9,579	3,542	3,528	2,509
Apr.....	42,662	32,932	14,788	8,134	1,914	8,096	9,733	3,501	3,694	2,538
May.....	43,027	32,957	14,713	8,176	1,933	8,135	10,070	3,616	3,956	2,498
June.....	43,122	33,054	14,691	8,203	1,942	8,218	10,068	3,645	3,949	2,474
July.....	43,026	33,133	14,673	8,220	1,952	8,288	9,893	3,531	3,901	2,461
Aug.....	43,217	33,232	14,625	8,280	1,980	8,347	9,985	3,603	3,937	2,445

¹ Represents all consumer instalment credit extended for the purpose of purchasing automobiles and other consumer goods, whether held by retail outlets or financial institutions. Includes credit on purchases by individuals of automobiles or other consumer goods that may be used in part for business.

² Represents repair and modernization loans held by financial institutions; holdings of retail outlets are included in other consumer goods paper.

NOTE.—Monthly figures for the period December 1939 through 1947 and a general description of the series are shown on pp. 336-354 of the BULLETIN for April 1953. Revised monthly figures for the period January 1948-August 1956, together with a description of the revision, are shown on pp. 1031-1042 of the BULLETIN for October 1956. A detailed description of the methods used to derive the estimates may be obtained from Division of Research and Statistics.

INSTALMENT CREDIT, BY HOLDER

[Estimated amounts outstanding, in millions of dollars]

End of year or month	Total instalment credit	Financial institutions					Retail outlets						
		Total	Com- mercial banks	Sales finance com- panies	Credit unions	Con- sumer finance com- panies ¹	Other ¹	Total	Depart- ment stores ²	Furni- ture stores	House- hold appli- ance stores	Auto- mobile dealers ²	Other ²
1939.....	4,503	3,065	1,079	1,197	132	.....	657	1,438	354	439	183	123	339
1941.....	6,085	4,480	1,726	1,797	198	.....	759	1,605	320	496	206	188	395
1945.....	2,462	1,776	745	300	102	.....	629	686	131	240	17	28	270
1949.....	11,590	9,257	4,439	2,944	438	.....	1,436	2,333	596	740	178	236	583
1950.....	14,703	11,805	5,798	3,711	590	1,286	420	2,898	746	827	267	287	771
1951.....	15,294	12,124	5,771	3,654	635	1,555	509	3,170	924	810	243	290	903
1952.....	19,403	15,581	7,524	4,711	837	1,866	643	3,822	1,107	943	301	389	1,082
1953.....	23,005	18,963	8,998	5,927	1,124	2,137	777	4,042	1,064	1,004	377	527	1,070
1954.....	23,568	19,450	8,796	6,144	1,342	2,257	911	4,118	1,242	964	377	463	1,052
1955.....	28,958	24,450	10,601	8,443	1,678	2,656	1,072	4,508	1,511	1,044	365	487	1,101
1956.....	31,827	27,084	11,707	9,100	2,014	3,056	1,207	4,743	1,408	1,187	377	502	1,269
1957.....	34,105	29,375	12,714	9,573	2,472	3,332	1,284	4,730	1,393	1,146	374	529	1,288
1957—Aug.....	33,303	29,014	12,607	9,565	2,344	3,234	1,264	4,289	1,161	1,083	360	530	1,155
Sept.....	33,415	29,128	12,656	9,598	2,377	3,231	1,266	4,287	1,167	1,077	363	533	1,147
Oct.....	33,504	29,241	12,749	9,585	2,415	3,229	1,263	4,263	1,134	1,080	365	533	1,151
Nov.....	33,596	29,239	12,717	9,564	2,439	3,248	1,271	4,357	1,199	1,092	365	531	1,170
Dec.....	34,105	29,375	12,714	9,573	2,472	3,332	1,284	4,730	1,393	1,146	374	529	1,288
1958—Jan.....	33,737	29,125	12,611	9,464	2,446	3,320	1,284	4,612	1,381	1,108	367	522	1,234
Feb.....	33,302	28,864	12,415	9,405	2,451	3,306	1,287	4,438	1,326	1,079	363	514	1,156
Mar.....	32,983	28,621	12,310	9,284	2,461	3,286	1,280	4,362	1,343	1,045	359	504	1,111
Apr.....	32,932	28,701	12,421	9,200	2,506	3,290	1,284	4,231	1,241	1,033	354	498	1,105
May.....	32,957	28,674	12,442	9,129	2,531	3,273	1,299	4,283	1,278	1,031	353	494	1,124
June.....	33,054	28,750	12,494	9,105	2,565	3,279	1,307	4,304	1,310	1,035	351	492	1,116
July.....	33,133	28,897	12,581	9,121	2,606	3,288	1,301	4,236	1,241	1,035	350	491	1,119
Aug.....	33,232	28,967	12,630	9,083	2,645	3,291	1,318	4,265	1,258	1,051	352	488	1,116

¹ Consumer finance companies included with "other" financial institutions until September 1950.
² Includes mail-order houses.

² Represents automobile paper only; other instalment credit held by automobile dealers is included with "other" retail outlets.

LOCAL ASSOCIATION *Activities*



Louisville, Kentucky

At the annual meeting of the Retail Credit Managers' Association, Louisville, Kentucky, the following officers and directors were elected: President, Russell J. Pirkey, Lincoln Bank and Trust Company; Vice President, Mrs. Leola Dillon, State Finance Company; and Secretary-Treasurer, Carson L. Bard, Credit Bureau of Louisville. Directors: Edward Converse, Stewart Dry Goods Company; Helen Grimes, Dolfinger's, Inc.; Clyde C. Jones, Levy Brothers; Mrs. Dorothy Kehm, William Kendrick Jewelers; Jack R. Mickschl, H. P. Selman Company; and Mrs. Mattie Vanderford, Wilbur Rodgers Company.

Lincoln, Nebraska

The new officers and directors of the Lincoln Retail Credit Men's Association, Lincoln, Nebraska, are: President, A. W. Peterson, Hardy Furniture Company; Vice President, Donald Wright, National Bank of Commerce; and Secretary-Treasurer, R. E. Skold, The United Credit Bureau. Directors: Perry Miller, Collection Service Company; Belle Keitges, Socony Mobil Company; M. H. Pollard, Jr., First National Bank; Harold Carl, Continental Bank; and Melvin Morrison, Roberts Dairy.

Spokane, Washington

The 1958 officers and directors of the Spokane Retail Credit Association, Spokane, Washington, are: President, Frank Newman, The Crescent; Past President, William E. Phillips, Larsen & Associates; Vice President, C. R. McCabe, True's Oil Company; Treasurer, C. Pat Craigen, Old National Bank; Secretary, N. M. MacLeod, Credit Bureau of Spokane; and Assistant Secretary, M. T. Warrick, Credit Bureau of Spokane. Directors: Elaine Kunz, Lincoln First Federal Savings & Loan; Gene Larson, Deaconess Hospital; W. J. Robinson, Hazen & Jaeger; Virgil Philopant, Utter Motors; Don Ryder, Bell Furniture Company; John Hasstedt, Rees Hall Oil Company; Leo Sherfey, Aetna Adjustment Company; and J. B. Durgan, Fidelity Savings & Loan.

Denver, Colorado

The 1958-1959 officers and directors of the Retail Credit Men's Association, Denver, Colorado, are: President, Lloyd M. Boyd, Thrift Industrial Bank; Vice President, Anton R. Bowler, Jordan Mortgage Company; Secretary, Dr. Lewis V. Giesecke; Treasurer, Harry G. Anderson, Denver National Bank; and Executive Vice President, Donald H. Puffer, Credit Bureau

of Greater Denver. Directors: William G. Temple, Denver Brick and Pipe Company; J. C. Love, Phillips Petroleum Company; Ted M. Eaker, A. G. Eaker Stores; Joseph J. Marsh, Marsh-Wimbush Company; Charles R. Kendrick, Kendrick-Bellamy Company; Richard E. Pate, III, Davis & Shaw Furniture Company; and A. P. Sonneman, Denver Dry Goods Company.

McAlester, Oklahoma

At the annual meeting of the Retail Credit Association of McAlester, McAlester, Oklahoma, the following officers and directors were elected: President, Tom Woods, Anchor Loan Company; Vice President, Charles Miller, McAlester Clinic; and Secretary-Treasurer, Leon Willis, Retail Merchants Association. Directors: Tom Watson, J. O. Green Appliances; Chester Born, Consolidated Gas Utilities; Ken Sellers, Ken Sellers Service Station; Wayne Holloway, McAlester Finance Corporation; and Donald King, National Bank of McAlester.

Washington, Pennsylvania

The Retail Credit Association of Washington, Washington, Pennsylvania, are: President, Jean Newman, Peoples Adjustment Bureau; Vice President, Jennings Ullom, C & C Service; Secretary, Josephine Rungo, J. A. Rungo; and Treasurer, Robert E. Camp, McKean Plumbing Heating & Supply Company. Directors: Charles Sharp, Jr., Sharp's Furniture Store; Frank M. Sherwood, Caldwells, Inc.; and Edna Siegel, Washington Credit Bureau.

Knoxville, Tennessee

At the annual meeting of the Retail Credit Association of Knoxville, Knoxville, Tennessee, the following officers and directors were elected: President, Harry H. Duncan, Bank of Knoxville; First Vice President, Mrs. Mossie P. Cunningham, J. S. Hall's Sons; Second Vice President, R. E. Mapes, Baum's Home of Flowers; Third Vice President, L. M. Parry, Tennessee Mill & Mine Supply; and Secretary-Treasurer, A. C. Bittle, Credit Bureau of Knoxville. Directors: S. J. Nicely, Miller's; T. E. Kirkham, Woodruff Hardware; John I. Dale, Jr., Rich's; Roberts V. Weaver, Weaver Sales Company; John H. Brown, The Knox; and E. Howard Moulton, Park National Bank.

Arlington, Texas

The 1958 officers and directors of the Arlington Retail Credit Association, Arlington, Texas, are: President, Clyde D. Norton, Sears, Roebuck and Co.; Vice President, James Peyton, Bob Cooke Motor Company; Secretary-Treasurer, Wayne M. Wade, Retail Merchants Association. Directors: Otis McKoy, McKoy Furniture; Annie Lou Waggoner, Butts Oldsmobile; Robert Stone, First National Bank; Mrs. Barbara Higginbotham, Dr. A. L. Karbach; and James Elder, Bird-Elder Real Estate.

*Reading this publication carefully
and regularly will contribute to
your success as a Credit Executive.*

and allowances) from the purchases made in each of the months.

The correctness of the figures computed may be easily checked. The total of the amounts shown for the various ages (one month, two months, three months, and more) should equal the total balance now owed by the customer.

12. Bad-Debt Loss Percentage. The total amount of accounts receivable which you write off as uncollectible constitutes your *gross* bad-debt loss for the period covered, usually a year. This amount divided by net credit sales for the period will give your *gross* bad-debt loss percentage.

However, as time goes on, some money will actually be collected during a given period from accounts you charged off as bad debts in previous periods. The amount of such recoveries is subtracted from the *gross* bad-debt loss mentioned above. The remainder, then, will be your *net* bad-debt loss for the period in question, for example, the year just ended. You can divide the amount of this *net* bad-debt loss by your dollar volume of net credit sales for the period, to find your *net* bad-debt-loss percentage.

In addition to bad-debt-loss records, you can keep figures on repossessions if your firm sells on the instalment plan. Divide the figure representing the total balances owed on contracts subjected to repossession during the period, by the total dollar volume of instalment sales for that period. The result is your repossession percentage in terms of dollar volume. In addition, you can di-

vide number of sales on which repossessions occurred by total number of sales made on the instalment plan during the period to get your repossession percentage in terms of number of sales.

For Further Information

Businessmen interested in exploring further the subject of credit and collection control may wish to consult the publications mentioned below. Other titles of course could have been cited; however, in keeping with the policy of the series, this list is necessarily brief and selective. No slight is intended toward authors whose works are not mentioned.

A detailed treatment of indexes for credit and collection control is to be found in Chapters 8, 9, and 10 of *Retail Credit Management*, by C. W. Phelps. National Retail Credit Association, 375 Jackson Ave., St. Louis 5, Mo. 1949. \$6.00.

Credits and Collections in Theory and Practice, by T. N. Beckman and R. Bartels. McGraw-Hill Book Co., 330 W. 42nd St., New York 36, N. Y. 1955. \$6.50.

Credit and Collection Management, by W. J. Shultz and H. Reinhardt. Prentice-Hall, Inc., Englewood Cliffs, N. J. 1954. \$9.00.

Retail Credit Manual, by J. Gordon Dakins. National Retail Dry Goods Association, 100 W. 31st St., New York 1, N. Y. 1950. \$10.00.

Consumer Credit—Analysis and Decision, by H. W. Huegy and R. S. Hancock. Stipes Publishing Co., 17 Taylor St., Champaign, Ill. 1954. \$1.00. ★★★

John Gordon Ross Honored

At the annual convention of the American Gas Association held in Atlantic City, New Jersey, during the week of October 12, 1958, J. Gordon Ross, Manager of Customer Service, Rochester Gas and Electric Corporation, Rochester, New York, was elected Chairman of the Accounting Section of the Association. His term of office will run from October 1958 to October 1959. The Accounting Section is composed of about 15 separate committees and it is the only section of the Association that directly coordinates its activities with the Edison Institute. Mr. Ross was President of the National Retail Credit Association in 1937-1938 and president at the twenty-sixth annual convention of the Association in Pittsburgh, Pennsylvania, June 21-24, 1938.

Port Arthur, Texas

The 1958 officers and directors of the Retail Merchants Association, Port Arthur, Texas, are: President, Leslie McInnes, McInnes Company; First Vice President, Roy Andrews, Holley-Andrews; Second Vice President, Sam Aquilina, Aquilina's Food Store; Third Vice President, Robert Johnson, Griffing Lumber Company; Treasurer, W. F. Spiegel, First National Bank; and Secretary-Manager, J. Roy Faulkner, Retail Merchants Association. Directors: A. A. Dupuis, The Dis-mukes Company; Roy Hayes, Roy Hayes, Real Estate; J. H. Pritchard, Southern Union Gas Company; Leland Lacy, Leland Lacy Motors; F. E. Gifford, Crowell-Gifford Company; E. P. Tucker, Merchants National Bank; J. C. Rowland, Sears, Roebuck and Co.; Robert Spooner, Spooner's Photo Shop; A. D. Trahan, Port Arthur News; and W. W. Glass, Glass Drug Store.

Madison, Wisconsin

The 1958-1959 officers of the Madison Retail Credit Association, Madison, Wisconsin, are: President, Jerry Thomas, Wolff, Kubly and Hirsig Company; First Vice President, Dudley Hughes, Olson and Veerhusen; Second Vice President, Gordon Findorff, J. H. Findorff and Son; and Secretary, N. B. Critser, Credit Bureau of Madison.

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NATIONAL RETAIL CREDIT ASSOCIATION

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Merry Christmas


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THE HURRYING shoppers, the loudspeakers blaring seasonal music, the street corner kettles, the Santa helpers—the baking, the decorating, the gift wrapping, the card writing, the Yule tree—the lighted church windows and the voices of the practicing choirs—no matter what material things connote Christmas for each of us—the spirit that fills all of us at this time is the spirit of Christmas.

Regardless of race or creed, our thoughts of the joy we plan to bring to others by our gifts of love and our words of kindness and cheer, fill our own hearts with happiness. Our minds are refreshed, our souls uplifted, our awareness of our Father's nearness made sharper. Surely, Christmas is a powerful, revitalizing force for our good. Its spirit should be with us, always. So, I can think of no wish, no greeting, more fitting to bring to you from myself and the officers and directors of the National Retail Credit Association than this—

*Merry Christmas! May the
Peace and Happiness of
Christmas abide with
you always.*


President
National Retail Credit Association



Mr. Manager of Credit Sales?

[illegible]

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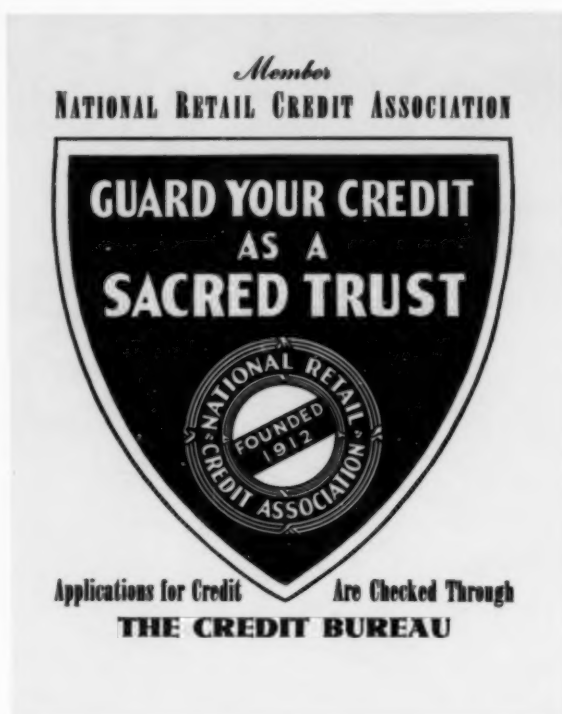
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